

INDIAN TEA ASSOCIATION

REPORT

OF THE

GENERAL COMMITTEE

FOR THE YEAR ENDED 31st DECEMBER, 1963.

Calcutta:

REPORT
INDIAN TEA ASSOCIATION
1963

INDIAN TEA ASSOCIATION

Report for the year ended 31st December, 1963.

CONTENTS

	PAGE
Membership Resignations	1
General Committee, Chairman and Vice-Chairman ...	1
Sub-Committees	3
Headquarters Staff	6
Stipendiary Staff of the Association at the Branches ...	6
Statistical Department	8
The Tea Board	8
(1) The Board	8
(2) The Executive Committee	9
(3) Licensing Committee	9
(4) Export Promotion Committee	9
(5) Labour Welfare Committee	9
(6) Ad Hoc Tea Research Liaison Committee ...	10
Indian Standards Institution	10
(1) Wood Products Sectional Committee	10
(2) Agricultural and Food Products Division Council	10
(3) Tea Sectional Committee	10
(4) Paper Products and Packing materials Sectional Committee	10
Representation of the Association on various Bodies ...	11
Indian Tea Association (London)	12
United Planters Association of Southern India	13
The Branch and District Associations	13
Consultative Committee of Tea Producer Associations ...	14
International Tea Agreement	15
Tea Control in India	15
(1) The Tea Act	15
(2) The Licensing Committee	15

	PAGE
(3) Export Quota Allotment	16
(4) Export of Tea Seed from India	16
The Tea Act 1963	16
(1) The Act	16
(2) The Rules under the Act	16
(3) Tea Cess	16
The Marketing of the 1963 Crop	17
(1) The Crop	17
(2) Export Quota Allotment	17
(3) Calcutta Auctions	17
Shipment of Unsold Teas to the London Auctions	20
European Common Market	20
Incentive for the Tea Industry	20
Central Budget 1963	23
Board of Trade	26
Tea Board Schemes for the grant of financial assistance to tea gardens	27
Irrigation Scheme for Tea Gardens	31
Wage Board for Tea Plantation Industry	32
Bonus Commission	33
Standing Labour Committee on Tea Plantations in Assam	34
Workers Participation in Management	35
Workers Education Scheme	36
The North East India Tea Plantations Bonus Agreement 1961	36
(a) Bonus for 1961	36
(b) Bonus Sub-Committee	36
(c) Bonus Funds : Treatment of contributions for tax purposes	36
(d) West Bengal Plantation Worker's Bonus Fund	37
Housing	38
(a) Working Group on Plantation Labour Housing	38

	PAGE
(b) Specification for Labourers Houses in Assam	40
(c) West Bengal Housing Advisory Board	42
Supply of Firewood for Labour	42
(1) Assam	42
(2) West Bengal	43
Medical Services on Tea Estates	44
Labour Relations	44
The Maternity Benefit Act, 1961	45
Provident Fund	47
(1) West Bengal	47
(a) Employees Provident Funds (Amendment) Act, 1963	47
(b) The Rules	48
(c) Rate of Contribution	48
(2) Assam	50
Labour Welfare : Assam	51
(1) Rowriah Welfare Training Centre	51
(2) Mazengah Training Centre for Women	52
Assam Tea Plantation Employees Welfare Funds Act	52
Holidays with Pay	53
Clerical and Medical Staff	54
(1) Annual leave for staff in the Dooars	54
(2) Retiral Benefits for clerical staff in the Dooars	55
(3) Servant allowance to clerical and Medical Staff and Artisans in Cachar : Industrial Dispute	56
Medical Advisory Board	57
(1) Assam	57
(2) West Bengal	62
Family Planning	62
Employment Problems	63
(a) Assam (i) Screening Committee for managerial staff appointments	63

	PAGE
(ii) Employment of Contract Labour	63
(iii) Surplus Labour on Tea Gardens	
in Assam	64
(b) West Bengal : Employment on Tea gardens	64
Land Acquisition in Assam	67
Introduction of the Metric System of Weights and Measures	69
Formation of Consumers' Co-operatives of Industrial Workers	71
Foodgrains supplies : 1963	74
Assam	74
West Bengal	75
Cachar	75
Khet Assessment	76
Coal Supplies	76
Iron & Steel	80
Cement	81
Supply of Natural Gas from Naharkatiya	82
Electricity Supplies in Assam	83
Licences for Storage of Oil	85
Import of Tractors : End-use certificates	85
Telephones in Assam	86
Teleprinter/Morse Service	87
Radio Telephone system for the Assam Valley	88
Calcutta Air Scheme	88
Assam Air Scheme	88
Tea Carriage Agreement	89
Transport : Assam	90
(a) Steamer	90
(b) Railways	90
(c) Road	90
Transport Requirements of the Eastern Region	91
Steamer Services to the U. K.	92
(a) Availability of Space	92
(b) Rates of Freight	92

	PAGE
Eastern India Shippers Organisation	93
Regional Advisory Committee on Land Customs matters	94
Excise Duty on Tea	94
(1) Rates of Excise Duty	94
(2) Payment of Excise Duty in arrears	95
(3) Deposit of Excise Duty under challan in Form T.R. 6	96
(4) Payment of Excise Duty by Cheque	97
(5) Complimentary Teas	97
(6) Percentage of recovery of tea	98
(7) Clearance of Tea : Gate Passes	99
(8) Transport of Tea by Air	99
(9) Power to sign Documents	101
(10) Central Excise Re-Organisation Committee	101
(11) Accommodation for Excise Officers	102
(12) Bonded Warehouses	103
Drawback of Excise Duty on Plywood tea chests used as containers of exported teas	104
Warehousing Conditions	105
(a) General	105
(b) Libyan Depot	106
Advance payment of income tax : Relaxation of provisions of section 210 of the Indian Income Tax Act, 1961	107
Indian Income Tax Rules : Replacement of tea Bushes	108
Assam Agricultural Income Tax	110
Agricultural Income Tax : Exemption in respect of contributions to the National Defence Fund	114
Taxation of Tea Companies having estates in Pakistan : Settlement of relief under Section 91(3) of the Indian Income Tax Act, 1961	115
Assam Taxation (on goods carried by roads or inland waterways) Act, 1961	116
Committee on Sales Tax	117

	PAGE
The Assam Urban Immovable Property Tax Act, 1963	118
Compulsory Deposit Scheme Act, 1963	118
The Apprentices Act, 1961	120
Motor Transport Workers' Act	121
Assam Plantation Labour Rules	121
Assam Minimum Wages Rules	122
Industrial Disputes Act : Notices of Change	122
Assam Payment of Wages Rules, 1934	122
West Bengal Industrial Disputes Rules, 1958	123
West Bengal Minimum Wages (Undisbursed Amounts) Rules, 1963	127
West Bengal Factory Rules, 1958	128
The Export (Quality Control & Inspection) Act, 1963	130
Foreigners (Restricted Areas) Order, 1963	131
Claims in respect of Tea carried by Road	132
Railway Claims :	133
(1) Claims in respect of goods loaded at private sidings	133
(2) Packing Conditions for Tea	134
(3) Claims in respect of consignments which were diverted to Kantapukur during the Emergency	135
(4) Claims in respect of consignments booked via Pakistan	136
Railway Freight Concession on Export Commodities	136
Assam Chaplaincy Scheme	136
Planters Amenities Fund	137
Malaria Control	137
Calcutta School of Tropical Medicine	138
Ross Institute of Tropical Hygiene	138
Rate of Emigrant Labour Cess	139
Cemeteries in the Tea Districts	139
Supply of Tea Waste for Caffeine Manufacture	139
Membership Subscription	139
Finance	140

Report of the West Bengal Sub-Committee

	PAGE
The West Bengal Sub-Committee	141
Labour Disputes—West Bengal	141
Abolition of the Hazri—Doublu System	143
Clerical and Medical Staff in the Dooars	143
Air Services in the Dooars	144
Darjeeling Hill Railway	145
West Bengal Estates Acquisition Act	146
West Bengal Forest Advisory Board	146
Electricity Supply in North Bengal	146
Training of Dais in Darjeeling	147
Dooars and Darjeeling Nursing Home	147
Darjeeling Chaplaincy Fund	148

Report of the Scientific Department Sub-Committee

Scientific Department Sub-Committee	149
Organisation of Tocklai Experimental Station	150
Staff (a) Resignations	151
(b) Retirements	152
(c) Appointments & Promotions	152
(d) Transfer	152
(e) Leave	152
(f) Visit	152
Branches	153
Visitors	157
Tea Research Association	158
Annual Conferences	159
Lecture Courses	159
Labour/Staff Relations	159
Scientific Department Publications	160
ACCOUNTS :	
General	164
Scientific Department	170

INDIAN TEA ASSOCIATION

REPORT OF THE GENERAL COMMITTEE FOR THE YEAR ENDED 31ST DECEMBER 1963.

The General Committee have pleasure in presenting to members their report on the work of the Association during their period of office.

Membership.—Resignations.—The following tea companies and tea estates resigned from the membership of the Association during the year :—

Bagdogra Tea Estate.

Chandighat Tea Estate.

Dholai Tea Estate.

Rukni Tea Co., Ltd.

Shakomato Tea Estate.

The membership area of the Association as at 31st December 1963, stood at 145,257 hectares as compared with 145,924 hectares and 148,212 hectares at 31st December 1962 and 1961 respectively.

General Committee, Chairman and Vice-Chairman.—At the Annual General Meeting of the Association held on the 8th March 1963, the following companies were declared elected by the votes of members to constitute the General Committee for the year 1963 and the representatives of these firms, who comprised the Committee during the year, were as follows :—

Balmer Lawrie & Co., Ltd.	{	Mr. H. K. FitzGerald
	{	Mr. P. C. Simms

Davenport & Co., Ltd.	{	Mr. B. P. Bajoria
	{	Mr. S. Prashad

Duncan Brothers & Co., Ltd. { Mr. A. F. Macdonald
Mr. M. S. Christie

Gillanders Arbuthnot & Co., Ltd. { Mr. G. A. Whitaker
Mr. G. W. Maycock

James Finlay & Co., Ltd. { Mr. N. S. Coldwell
Mr. A. N. Sircar

James Warren & Co., Ltd. Sir Richard Duckworth, Bt.

Jardine Henderson Ltd. { Mr. B. D. C. Dunhill
Mr. M. Lamond

Macneill & Barry Ltd. Hon. S. P. Sinha

Octavius Steel & Co., Ltd. Mr. D. J. R. Petitpierre

Shaw Wallace & Co., Ltd. { Mr. D. B. Wallace
Mr. H. K. Rao

Williamson Magor & Co., Ltd. { Mr. P. B. Nicholls
Mr. E. H. Hannay
Mr. A. J. Cameron

Andrew Yule & Co., Ltd. { Mr. P. A. Francis
Mr. F. P. D. Hurst

At the first meeting of the General Committee held on the 12th March 1963, the Hon. S. P. Sinha of Macneill & Barry Ltd., was elected Chairman of the Association and Mr. P. B. Nicholls of Williamson Magor & Co. Ltd., was elected Vice-Chairman.

Mr. P. B. Nicholls resigned his appointment as Vice-Chairman in June 1963, and Mr. H. K. FitzGerald of Balmer Lawrie & Co. Ltd., was elected Vice-Chairman in his place at a meeting held on the 2nd July 1963.

Sub-Committees.— The following Sub-Committees were constituted during the year 1963 :

The West Bengal Sub-Committee

{	Mr. A. F. Macdonald,	Mr. C. R. F. Mackenzie
	Chairman	
{	Mr. M. S. Christie	Mr. G. W. Maycock
{	Mr. D. B. Wallace,	Mr. G. Morgan
	Vice-Chairman	
{	Mr. P. Steyn	Mr. D. J. R. Petitpierre
{	Mr. P. A. Francis	Mr. S. Prashad
	Mr. F. P. D. Hurst	
{	Mr. M. Lamond	Mr. A. N. Sircar
		Mr. R. C. N. Scott

Scientific Department Sub-Committee

{	Mr. N. S. Coldwell,	{	Mr. P. A. Francis
	Chairman.		Mr. F. P. D. Hurst
{	Mr. A. N. Sircar		
	Sir Richard Duckworth, Bt.,		Mr. C. R. F. Mackenzie
	Vice-Chairman.		
{	Mr. M. S. Christie	{	Hon. S. P. Sinha
	Mr. J. D. W. Allan		
{	Mr. J. A. Eastwood	{	Mr. D. B. Wallace
	Mr. M. Lamond		Mr. H. K. Rao
{	Mr. H. K. FitzGerald	{	
	Mr. P. C. Simms		Mr. M. C. Whear
	Mr. R. MacIntosh		
	Mr. M. J. Griffiths	{	Mr. G. A. Whitaker
		{	Mr. G. W. Maycock

Owing to his impending retirement from India, Mr. N. S. Coldwell resigned his membership of the Sub-Committee at the end of September 1963 and Mr. I. F. Morriss was appointed to take his place as Chairman of the Sub-Committee.

Labour Wages & Bonus Sub-Committee

Hon. S. P. Sinha,	{	Mr. A. F. Macdonald
Chairman.	{	Mr. M. S. Christie
{	Mr. H. K. FitzGerald	
{	Mr. P. C. Simms	Mr. C. R. F. Mackenzie
Mr. G. A. McCarthy	{	Mr. G. A. Whitaker
	{	Mr. G. W. Maycock

Foodstuffs Sub-Committee

{	Mr. H. K. FitzGerald,	{	Mr. D. B. Wallace
	Chairman.	{	Mr. H. K. Rao
{	Mr. P. C. Simms		
	Mr. A. J. Cameron		

Tea Warehousing & Shipping Sub-Committee

{	Mr. H. K. FitzGerald,	Mr. M. J. Chaytor
	Chairman	
{	Mr. S. C. Boucher	
{	Mr. M. R. Smith	Mr. M. C. Taraporvala
{	Mr. P. B. Dutta	

During the absence on leave of Mr. FitzGerald, Mr. M. R. Smith acted as Chairman of the Sub-Committee.

Finance & Taxation Sub-Committee

{	Mr. J. S. F. Gibb	Mr. F. D. Collins
	Chairman.	
{	Mr. A. M. S. Fergie	Mr. D. A. Houghton
	Mr. D. Fordwood	Mr. G. A. McCarthy
	Mr. S. K. Mitra	Mr. R. C. N. Scott

Supplies, Transport & Freight Rates Sub-Committee

Mr. M. R. Smith,	Mr. V. K. Chaudhri
<i>Chairman.</i>	
Mr. P. B. Dutta	
Mr. J. Duncan	Mr. H. K. Rao
Mr. A. K. Pal	Mr. P. Steyn
Mr. S. K. Mullick	Mr. A. N. Sircar
	Mr. R. C. N. Scott
Mr. G. Morgan	Mr. M. C. Taraporvala

Mr. H. K. Rao, and later Mr. A. N. Sircar, acted as Chairman of this Sub-Committee during the absence on leave of Mr. M. R. Smith.

Customs & Supplies Sub-Committee

Mr. M. R. Smith,	Mr. G. Morgan
<i>Chairman.</i>	
Mr. P. B. Dutta	
Mr. S. K. Mullick	Mr. P. C. Simms

Mr. P. C. Simms acted as Chairman of this Sub-Committee during the absence on leave of Mr. M. R. Smith.

Cachar Sub-Committee

Hon. S. P. Sinha,	Mr. M. Lamond
<i>Chairman.</i>	
Mr. A. F. Macdonald	Mr. D. J. R. Petitpierre
Mr. M. S. Christie	

Emoluments Sub-Committee

Hon. S. P. Sinha,	Mr. B. D. C. Dunhill
<i>Chairman.</i>	Mr. M. Lamond
Mr. G. A. McCarthy	Mr. P. B. Nicholls
Mr. R. C. N. Scott	Mr. E. H. Hannay

Headquarters Staff. The Association's staff at Headquarters at present consists of Mr. P. Crombie, the Senior Adviser, Mr. P. J. Parr, the Calcutta Adviser and Mr. D. Chakravarti, the Economic Adviser.

Mr. J. L. Llewellyn, who had been Deputy Chairman of the Association since December 1950, retired from India in April 1963. The Committee wish to record their appreciation of the services rendered by Mr. Llewellyn to the Association and to the Industry during his service with the Association.

Mr. P. Crombie was on leave from May to July 1963, and Mr. Hardman was transferred to Calcutta for a short time in June/July 1963.

Mr. T. J. Mathias who had been Additional Adviser, was transferred to the Darjeeling Branch in February 1963, and was replaced at Calcutta by Mr. P. J. Parr, who had been Secretary of that Branch. Mr. Parr was on leave for two months in August and September 1963.

The Association's secretarial work continued to be performed by the Bengal Chamber of Commerce and Industry from whose staff Mr. E. I. Brown, Mr. J. D. Rochford and Mr. K. W. Watson were deputed to attend to the Association's work.

Stipendiary Staff of the Association at the Branches.—The stipendiary staff of the Association was strengthened during the year by the appointment of three officers : Mr. E. K. Rawson Gardiner, Mr. E. F. Eduljee and Mr. K. M. Hutchison.

Mr. R. K. Jaitly, the Additional Secretary in Zone 3 proceeded on leave in February 1963. While on leave he was called up by the Army and his services were not available to the Association during the remainder of the year.

Mr. P. N. McWilliam, who had retired from the Association's services in 1962, very kindly volunteered to return to

India during the Emergency to assist with the Association's work. His offer was accepted with gratitude and he served from December 1962 to March 1963 in Zone 3 of the Assam Branch.

It was decided that the duties of Administrative Officer at Tocklai Experimental Station should be carried out by a stipendiary from the general line and in June 1963, Mr. R. D. E. Langford Rae was seconded to this post. On his departure on leave in September 1963, he was succeeded by Mr. J. R. Gee-Smyth.

At the end of the year the staff were posted as follows :—

ASSAM BRANCH

Headquarters

Secretary : ... Mr. S. B. Datta
Labour Adviser : Mr. J. E. Atkins

Zone 1

Secretary/Labour Adviser : Mr. D. K. Dutta
Addl. Secretary/Labour
Adviser : ... Mr. E. K. Rawson Gardiner

Zone 2

Secretary/Labour Adviser : Mr. S. Raha

Zone 3

Secretary/Labour Adviser : Mr. G. T. Allen
Addl. Secretary/Labour
Adviser : ... Mr. E. F. Eduljee

Mr. K. M. Hutchison	...	awaiting posting
Mr. R. D. E. Langford Rae	...	on leave
Mr. R. K. Jaitly	...	on Army duty
Mr. J. R. Gee-Smyth	...	on deputation to Tocklai

SURMA VALLEY BRANCH

Secretary ... Mr. K. N. Sircar

DOOARS BRANCH

Secretary ... Brig. F. H. Stevens

Labour Adviser ... Mr. R. C. Mazumdar

Addl. Labour Adviser, West Mr. T. Borooah

Addl. Labour Adviser, East Mr. S. Singh

DARJEELING BRANCH

Secretary/Labour Adviser ... Mr. T. J. Mathias

TERAI BRANCH

Secretary ... Mr. J. D. Gabriel

Statistical Department.— Under the control of the Association's Economic Adviser, the Association's statistical department continued to provide a valuable service to the Association especially in the matter of statistics required for the Wage Board and in connection with the Sub-group on Tea of the Working Group on Plantation Crops for the 3rd and 4th Five Year Plans.

The Department continued to maintain the usual statistics regarding housing, medical facilities, area and labour employed on tea estates in the membership of the Association.

The Tea Board.— *The Board.*—The Tea Board was reconstituted with effect from the 1st April 1963 and the Association is now represented on the Board by the following gentlemen :—

Hon. S. P. Sinha,
Mr. I. F. Morriss,
Mr. G. E. Stevenson,
Mr. J. P. Hannay.

The Executive Committee.—The Tea Board has an executive committee of nine members and the Association is represented on this committee by the Hon. S. P. Sinha.

Licensing Committee.—Rule 12 of the Tea Rules 1954 provides for the constitution of two Licensing Committees, one for North India and one for South India. The Association's representatives on the North India Committee are the Hon. S. P. Sinha and Mr. I. F. Morriss.

Export Promotion Committee.—The Tea Board has an Export Promotion Committee of seven members, which is entrusted with the task of promoting exports of tea. The Association is represented on the committee by Mr. I. F. Morriss.

The Committee appointed six regional panels each under the Chairmanship of one of the non-official members of the committee to make a close and detailed study of the difficulties faced by Indian exporters in different consuming countries. The regions covered by the panels are as follows :—

- (i) West Europe.
- (ii) The Americas.
- (iii) U.S.S.R. and East European Countries.
- (iv) Australia and Far East Countries
- (v) Africa (excluding the U.A.R. and Sudan) and Afghanistan.
- (vi) The U.A.R., Sudan and West Asian Countries.

The West Europe panel is under the Chairmanship of Mr. Morriss. The Association is represented on the panel for the Americas by Mr. M. C. Taraporvala.

Labour Welfare Committee.—The Association is represented on the Labour Welfare Committee of the Tea Board by Mr. G. E. Stevenson and Mr. J. P. Hannay.

Ad Hoc Tea Research Liaison Committee.—One of the functions of the Tea Board is to undertake, assist or encourage scientific, technological and economic research and the task of making representations for this purpose is allotted to the Tea Board's *Ad Hoc* Tea Research Liaison Committee on which the Association is represented by the following gentlemen :—

Mr. I. F. Morriss,

Mr. P. J. Parr,

The Director, Tocklai Experimental Station,

Indian Standards Institution.— The Association continued its membership of the Indian Standards Institution during 1963 and was represented on the following committees of the Institution :—

- (i) *Wood Products Sectional Committee.*—by Mr. M. J. Griffiths of Williamson Magor & Co. Ltd., and Mr. H. K. Rao of Shaw Wallace & Co. Ltd. as principal and alternate representatives respectively.
- (ii) *Agricultural and Food Products Division Council.*—by Mr. N. G. Gokhale, Director, Tocklai Experimental Station, and Mr. S. Ananda Rao, Chief Scientific Officer of the United Planters Association of Southern India as principal and alternate representatives respectively.
- (iii) *Tea Sectional Committee.*—by Mr. N. G. Gokhale, Director, Tocklai Experimental Station.
- (iv) *Paper Products & Packaging materials Sectional Committee.*— by Mr. M. J. Griffiths of Williamson Magor & Co. Ltd., and Mr. K. Ghosh of A. Tosh & Sons (Private) Ltd., as principal and alternate representatives.

Representation of the Association on various Bodies.—The Association was represented on various public bodies during 1963 as follows :—

- (a) The Governing Body of the Endowment Fund of the School of Tropical Medicine, Calcutta by Mr. N. S. Coldwell.
- (b) The Committee of Control of the Ross Institute of Tropical Hygiene, India Branch by Sir Hugh Mackay Tallack.
- (c) The Eastern Regional Committee of the Central Commercial Representation Fund by Mr. N. S. Coldwell.
- (d) The Railway Rates Advisory Committee by Mr. M. R. Smith.
- (e) The West Bengal Leprosy Association by Mr. V. K. Chaudhri.
- (f) West Bengal Pradesh Committee of the Sardar Vallabhbhai Patel Memorial Fund by Mr. G. A. Whitaker.
- (g) West Bengal Industrial Sub-Committee on Tea Plantations by Mr. P. J. Parr.
- (h) North Bengal Flood Advisory Committee by Mr. H. K. T. Turner.
- (i) Minimum Wages Central Advisory Board by Mr. P. Crombie.
- (j) West Bengal Minimum Wages Advisory Board by Mr. P. Crombie.
- (k) Export Sub-Committee of the Bengal Chamber of Commerce and Industry by the Hon. S. P. Sinha.
- (l) Labour Relations Sub-Committee of the Bengal Chamber of Commerce and Industry by Mr. P. J. Parr.

(m) West Bengal State Electricity Consultative Committee by Sir Richard Duckworth, Bt.

Indian Tea Association (London).— As in the past the General Committee corresponded throughout the year with the Indian Tea Association (London) on all matters of common interest and liaison between the two Associations was greatly facilitated by an interchange of visits, which made possible discussion on the many problems which confronted the Industry in 1963.

The London Chairman, Mr. H. N. Thomas, paid a visit to India in February/March 1963 during which he toured the tea districts of Assam and the Dooars and held discussions with the Committee on the various matters which were under correspondence at the time with London.

Professor Haworth, a member of the Scientific Panel of the London Association, visited India in October 1963 to acquaint himself at first hand with the work being carried out at the Tocklai Experimental Station.

In accordance with custom, the Chairman and Senior Adviser paid a visit to London in July 1963, when discussions on a wide range of subjects took place. The Vice-Chairman also visited the United Kingdom in November/December 1963 when most useful discussions regarding Tocklai and the Wage Board were held.

Sir Percival Griffiths, the London Adviser, retired in May 1963 and the Association wishes to record its sincere appreciation of the services rendered by him to Association and the tea industry during the twenty-six years he was associated with the Indian Tea Association in Calcutta and London. Mr. J. L. Llewellyn was appointed Adviser to the Indian Tea Association, London with effect from 1st June 1963.

United Planters Association of Southern India.— As in the past, liaison has been maintained by the Association with the United Planters Association of Southern India by an exchange of views on matters of importance to the Tea Industry. The South Indian Association was represented at meetings of the Consultative Committee of Tea Producer Associations held in Calcutta in February, March, June, October and December 1963. Consultations were also held with the U.P.A.S.I. representatives and the closest liaison was maintained during the various sessions of the Wage Board which took place at Calcutta and elsewhere during the year. The Chairman and the Senior Adviser visited South India in September 1963 to attend the Annual General Meeting of the United Planters Association of Southern India.

The Association continued to utilise the services offered by the Delhi Liaison Office of U.P.A.S.I. during the year.

The Branch and District Associations.— The various Branch and District Planters Associations with whom the Association corresponded on all matters of interest to producers were as follows :—

	<i>Membership area in hectares</i>
Assam Branch Indian Tea Association ...	99,239
United Planters Association of Southern India ...	59,505
Dooars Branch Indian Tea Association ...	41,899
Tea Association of India ...	28,877
Indian Tea Planters Association, Jalpaiguri ...	25,393
Assam Tea Planters Association ...	21,567
Darjeeling Branch Indian Tea Association ...	16,985
Bharatiya Cha Parishad ...	15,663
Surma Valley Branch Indian Tea Association ...	14,204
Surma Valley Indian Tea Planters Association ...	7,361
Terai Branch Indian Tea Association ...	5,171
Terai Indian Planters' Association ...	4,576
Tripura Tea Association ...	4,430
Kangra Valley Indian Planters Association ...	3,844
Dehra Dun Tea Planters Association ...	1,409

Consultative Committee of Tea Producer Associations.—The Consultative Committee continued to function throughout the year and held a total of eight meetings, all of which took place at Calcutta. As in the past the Consultative Committee served a very useful purpose in that it provided a forum in which the producers' views on various matters of interest to the Industry could be usefully exchanged. The Committee's discussions during the course of the year covered, among other matters, the following principal subjects :—

- (1) The questionnaire issued by the Working Group on Plantation Labour Housing. A guidance note was issued to the constituent Associations regarding the replies to be sent to the questionnaire.
- (2) *Wage Board.*—The progress of the Wage Board was discussed and briefs for the industry's representatives were agreed upon.
- (3) *Incentives for the Tea Industry.*—The Committee submitted a detailed memorandum explaining the incentives which Government could give to the industry to expand production and improve exports.
- (4) *Committee on Sales Tax.*—The Committee submitted a reply to the questionnaire issued by the Committee on Sales Tax set up by the Government of India.
- (5) *Central Budget 1963.*—The Committee submitted a representation to the Government of India on the effects of the 1963 Budget. Attention was drawn to the hardship which Super Profits Tax was likely to impose on tea companies and a request was made for excise duty to be refunded on exports.
- (6) *Tea Board Loans.*—The Committee submitted a memorandum to the Tea Board explaining how the

Tea Board Loan schemes could be made more acceptable and attractive to tea companies.

7. *Emergency War Risks Insurance.*—The action to be taken by tea companies in connection with the Schemes for War Risks Insurance introduced by Government was agreed upon.

All these matters are dealt with in greater detail elsewhere in this report.

International Tea Agreement.— In last year's report it was recorded that efforts were being made to persuade the Committee on Commodity Problems of the Food and Agricultural Organisation to set up a study group to re-examine the F.A.O. report on Tea Trends issued in 1960, which had predicted a large surplus of tea in the world by 1965.

Early in the year a representative of the F.A.O., Mr. A. Viton, visited the major tea producing countries where he held discussions with producers and Government representatives. As a result of his report, it was decided that the question of establishing an F.A.O. group on tea should be considered by the the Committee on Commodity Problems at its meeting in May.

As a result of this meeting it is understood that a fresh estimate of world production and consumption of tea has been authorised by the F.A.O.

Tea Control in India.— *The Tea Act.*—Control over the planting of tea in India and over its export from this country is exercised by the Government of India through the medium of the Tea Act, 1953.

The Licensing Committee.— The provisions of the Tea Act, in so far as they relate to tea control, are enforced by the Tea Board acting through the medium of two licensing committees : one for North India and the other for South

India. The Association's representatives on the North India Committee are the Hon. S. P. Sinha of Macneill & Barry Ltd., and Mr. I. F. Morriss of Jardine Henderson Ltd.

Export Quota Allotment.—The export quota system continued under suspension during the year under review but all exports of tea had to be covered by licences which were issued by the Tea Board on payment of a licence fee of Rs. 2.20 per 1000 kg. or part thereof.

Export of Tea Seed from India.—As is customary, the Tea Board asked all Producer Associations in May 1963 to submit details of the amount of tea seed likely to be produced by their members during the year, and also the amounts likely to be required by them for replacements and new plantings. The returns submitted seemed to indicate that the quantity of tea seed expected to be produced was likely to exceed the requirements of the estates ; and the reactions of the Government of India to the changed position are now awaited.

The Tea Act, 1963. *The Act.*—There were no amendments to the Act during the year under review.

The Rules under the Act.—Minor amendments were made to the Tea Rules during the year and copies of the notifications dated 28th September and 12th December 1963 issued by the Government of India, Ministry of Commerce & Industry, are reproduced in the appendices to this report.

Tea Cess.—During the year under review, tea cess continued to be levied on exported teas at the rate of Rs. 4.4 per 100 kilograms.

As envisaged in last year's report, the Consultative Committee put forward a proposal to the Tea Board that tea cess should be levied on all tea ; that the rate should be reduced to such an extent that the levy upon all teas would produce the

same revenue as does the present levy upon export teas only ; and that it should be collected by the excise authorities in the same way as excise duty. Up to the end of the year this proposal remained under consideration by the Tea Board and the Government of India. It is understood that while Government is favourably inclined towards the proposal that tea cess should be levied on all teas, they are not in favour of the suggestion that the rate of cess should be reduced.

The Marketing of the 1963 Crop.—(1) *Crop* : On the basis of the monthly crop returns submitted by Agency Houses, the 1963 tea crop in North East India has been estimated by the Association's Statistical Department at 255,118,876 kilograms as compared with the revised estimate of 261,444,604 kilograms for 1962 which indicates a fall of 2.42 per cent.

(2) *Export Quota Allotment*.—The suspension of the export quota system continued during the year under review.

(3) *Calcutta Auctions*.—The leaf sales of the 1962/63 season were completed, apart from a few delayed invoices, by the middle of March 1963, while the Dust crop was disposed of by the first week of June.

The first leaf sale of Season 1963/64, which consisted mainly of first flush Darjeeling teas, was held on the 20th May. Sales 2 and 3 followed at fortnightly intervals, after which sufficient tea was available for weekly sales to be resumed, and by the end of the year 29 sales had been held.

(a) *Leaf Sales*.—The early sales consisted mainly of Darjeeling first flush teas which came to a selective market and sold at prices which were generally below valuations. The small selection of tea from other districts, however, were readily absorbed but Legg Cut teas often realised disappointing prices.

In later sales, second flush Darjeelings were irregular, with useful prices being realised for the most stylish and flavoury

teas. The best C.T.C. Assams attracted keen competition but other types were irregular and poorer sorts declined in value. High prices were realised for Orthodox Assams of the best tippy grades but medium tippy sorts attracted less competition and appeared comparatively cheap. Orthodox grades from other districts met with fair demand but Dooars C.T.C. teas realised somewhat disappointing prices.

Demand became a little brisker towards the end of September and prices tended to become firm particularly for the better liquoring teas. During October the demand for exportable Fannings was the strongest feature while other orthodox types and C.T.C. teas declined in value. In November, owing to lower demand orthodox Fanning grades showed a substantial decline. CTC offerings also met with restricted enquiry and heavy withdrawals occurred. Demand improved during December and better prices were realised for all varieties except Legg-cuts which met with little support and were sometimes difficult of sale.

The average price of all teas (exclusive of excise duty) up to Sale No. 29 was Rs. 5.42 per kilogram compared with Rs. 5.52 per kilogram to the same date last year. All districts apart from Darjeeling and Assam were above last year. Darjeeling showed a decline of 37 nP. while Assam was down by 38 nP. The number of chests sold amounted to 1,409,820 as compared with 1,422,498 chests sold on the same date the previous year.

(b) *Dust Sales.*—The demand for Dusts was good throughout the season and prices showed no marked fluctuations.

By the end of the year 671,557 chests had been sold at an average price of Rs. 4.85 per kilogram, as against 654,799 chests at an average price of Rs. 4.92 per kilogram to the same date in the previous season.

(c) *Quality*.—The outturn of first flush Darjeelings was below last year's rather exceptional level but quality belied earlier hopes and was barely average. The second flush was also disappointing, mainly due to climatic conditions, and although some useful invoices were seen, quality generally was inferior to that of last year and few, if any, invoices could be described as 'fine'. Leaf appearance was, however, satisfactory and a number of attractive tippy grades were offered for sale. Quality showed a slight but steady decline with the advent of the rains and in some cases the lower grades became rather rough and loosely twisted, with stalk and fibre in evidence. With the withdrawal of the monsoons and the advent of the cooler and drier weather, teas improved in character and were of useful standard in leaf.

Teas from Assam were fully average. Several more gardens have taken to C.T.C. manufacture with satisfactory results in most cases. The second flush brought some strong liquoring invoices. Rains' production was satisfactory although fibre tended to increase in secondary grades.

Teas of orthodox manufacture were generally well made and free from stalk ; tip was plentiful although pale rather than golden, in some cases. After the rains, quality generally improved and many teas were less plain in cup and of fair autumnal character.

Dooars and Terai teas of orthodox manufacture were satisfactory in appearance, generally being blackish and well made, with some tip in the higher grades. Cup quality was fully average. C.T.C. grades were well made but with slightly disappointing cup quality. The appearance of Legg-Cut teas was similar to that of last season, but second flush liquors were somewhat inferior, mainly due to unfavourable climatic conditions.

Teas from Cachar were generally of better quality than last year. C.T.C. teas tended generally to be dullish in cup

with some fibre noticeable in the dry leaf. Legg Cut teas were fairly satisfactory in cup, but were often brownish and fibrous in appearance.

Shipment of unsold Teas to the London Auctions.—The Calcutta Tea Regulation Committee continued to keep a watch over shipments to the London Auctions during the year under review although no ceiling has been announced by the Government of India for such exports.

European Common Market.—Although the negotiations connected with Britain's application for admission to the European Common Market had proved infructuous it is satisfactory to record that agreement was reached between Britain and the "Six" that all imports of tea would have duty free entry into the "Six" and Britain with effect from the 1st January 1964.

This agreement would apply to all tea except tea in packets where there was a duty suspension up to 5% and would remain in force for two years in the first place.

The import duty on tea was also abolished in Switzerland from 1st January, 1964.

Incentives for the Tea Industry.—Throughout the year the Government of India gave attention to the problem of increasing exports from India and in this connection the performance of the tea industry was reviewed at a meeting of the Board of Trade held in July when it was suggested that the Tea Associations should be called upon to submit schemes for intensive replanting programmes, which would secure an increase in production and a consequent rise in exports.

In a circular dated the 30th July 1963, the Director of Tea Development, Tea Board invited Tea Producer Associations to submit to the Board their suggestions and proposals regarding incentives to be granted to the Industry to encourage new planting and consequent greater production.

A memorandum, which is reproduced in the appendices to this report, was accordingly prepared on behalf of the Consultative Committee of Tea Producer Associations and submitted to the Ministry of International Trade, Government of India and to the Tea Board.

The main point made in the Memorandum was that an increase in exports and in total earnings of foreign exchange could best be achieved by the production of more and more quality teas, which were still at a premium in the world markets. It was necessary therefore that Government and the Industry should concentrate on incentives to encourage the producer to expand, to rehabilitate his factory and garden with the best equipment, to replace worn out areas, and to manufacture more quality teas. With these objectives in view the following main suggestions were put forward :—

Incentives to extend and improve crops.—

- (i) Cost of replacing tea in situ or in virgin soil should be treated as a revenue charge for tax purposes.
- (ii) Alternatively 100 percent depreciation should be allowed on replacements or extension in the first year or over five/six years.
- (iii) Alternatively 40 per cent development rebate should be allowed on all planting.

Relief from Taxes.—

- (i) Excise duty should be reduced.
- (ii) Excise duty should be collected in arrears.
- (iii) 2 per cent rebate of income tax on sale proceeds of teas exported should be allowed.
- (iv) State Taxes such as Carriage tax, Entry tax, Sales tax should be abolished. Tea should be a central subject

in respect of taxation. A ceiling for agricultural income tax should be fixed at a rate lower than income tax.

Plantation Labour Act.—

- (i) Expenditure on housing etc., should not take precedence over expenditure on rehabilitation of the garden/factory.
- (ii) Housing specifications should not be changed frequently.
- (iii) Expenditure on housing should be treated as a revenue charge, and the industry should be allowed subsidies.

Land Requisition & Ceilings on holdings.—

Lands suitable for tea should not be requisitioned and plantations should be exempted from legislation imposing ceilings on land holdings.

Supplies. —

- (i) Import of rice into Assam for tea garden labour should be allowed more readily. "Khet assessment" should be reintroduced.
- (ii) Adequate supplies of good quality coal should be made available.
- (iii) Fertilisers should be supplied at same rates as for agriculturists and supplies should be delivered in the early months of each year.

Propaganda.—

Government should announce its early support of the 'DRINK MORE TEA' campaign in the U.K.

European Common Market.—

Efforts should be made to secure a reduction of the high internal revenue duties in E.C.M. countries.

Loans.—

Conditions for the grant of loans through the Tea Board should be relaxed especially in the matter of interest charges.

Irrigation loans should cover construction of wells and irrigation channels in addition to cost of machinery and spraying equipment.

Ocean Freight Rates.—

Reduction in the recent increase in ocean freight rates should be sought as similar increases have not been imposed in Ceylon.

With a view to deciding the targets to be fixed for production and export of tea under the Fourth Five Year Plan, the Working Group on Plantation Crops of the Planning Commission had set up a Sub-Group on Tea, under the Chairmanship of the Chairman, Tea Board.

The Sub Group held its first meeting on the 29th November 1963, at which the Association was represented by the Hon. S. P. Sinha and Mr. P. J. Parr.

At this meeting prolonged discussions took place regarding the various factors which would have to be taken into account in determining targets for production and exports. The Chairman of the Tea Board considered that a target for replanting should be fixed at 3 per cent per year of the area under tea and that the recommendations to be made regarding the incentives to be granted should be decided on the basis of the extent to which the industry was able and willing to carry out the suggested programme of expansion.

After much discussion it was agreed that information should be collected regarding the availability of land and estates' programmes for expansion.

Central Budget 1963.—The 1963 Budget proposals of the Government of India provided for the abolition of the export duty on tea and for the cancellation of the refund of excise

duty, which had been allowed on teas exported from India. To compensate for the loss of revenue, which would result from these changes, Government imposed a special duty of excise equivalent to 20% of the basic excise duty.

The Central Budget also provided for the levy of a super profits tax on companies, which would operate when the income of a company, after deduction of income tax and super tax payable by it, exceeded 6% of the company's capital and reserves except for such amount of reserves as had been allowed as a deduction in computing the total income for income tax. The rate of tax prescribed was 50% when the residual income was above 6% and 60% when the residual income was above 10% of capital and reserves.

The Budget also imposed an additional surcharge rising progressively from 4% to 10% on all incomes of individuals after tax. Part of this additional liability could be discharged through "compulsory deposits". There was also a provision that in the case of any company expenditure incurred by it on the remuneration and perquisites of an individual employee in excess of Rs. 60,000 a year would not be allowed as a deduction in the computation of the company's total income. This provision was later modified to exclude expenditure in respect of non-national employees.

After examining the effects of the Budget proposals on the industry the Consultative Committee submitted a representation to the Government of India, Ministry of Finance, welcoming the decision to abolish the export duty on tea but pointing out the increased burden of tax amounting to about Rs. 10 lakhs which tea companies would have to bear as a result of the imposition of the special duty of excise and the cancellation of the refund of excise previously allowed on exports. It was argued that the increased rates of excise duty would fall heavily on producers who would have to find the finance for payment of the duty several months before the

sale proceeds were received. On the other hand, it was not certain that buyers would pass on the benefits of the export duty to the tea producer in the shape of higher bids at the auction. It was therefore suggested that Government should allow a full rebate of excise duty on exports or at least a substantial refund.

As regards the Super Profits Tax, it was pointed out to Government that the tax was likely to fall more heavily upon tea companies than on other companies for the following reasons :—

- (1) The Tea Industry is widely known to be under capitalised on nominal paid up capital because throughout the years the majority of tea companies have steadily ploughed back a large portion of their profits in order to rehabilitate and improve their properties. The percentage of capital left free of tax from this levy is, therefore, inadequate for the Industry.
- (2) Being an agricultural industry subject to droughts, floods, hailstorms and other vagaries of the climate, profits fluctuate widely from year to year in individual companies and profits of the good years are required to rehabilitate the damage suffered in a bad year. There is, however, no provision in the Bill to set off profits against the losses of previous years. Thus rehabilitation as well as further investment and growth would be discouraged.

It was suggested therefore that a higher percentage on capital assets should be allowed free of tax to the Tea Industry and that provision should be made for off-setting against profits the losses of previous years.

The Central Board of Revenue informed the Consultative Committee in due course that :—

- (a) the request for a refund of excise duty on exports could not be acceded to.

- (b) there was no need for making provision in the Super Profits Tax Act for the carry forward of losses because the business loss relating to any assessment year would be carried forward and set off against the business profits in the succeeding years for computing the total income under the provisions of the Income Tax Act 1961, and that as the chargeable profits for super profits tax are computed with reference to the total income, the loss would automatically be set off against the chargeable profits of these years. In addition companies would also be entitled to carry forward and set off "deficiency" in terms of Section 5 of the Act.
- (c) the under capitalised structure of tea companies and the need for allowing a sufficient portion of the profits to be ploughed back was covered by the provisions of clause (xi) of Rule 1 of the First Schedule to the Super Profits Tax Act, which allowed an exclusion of 10% of total income in computing the chargeable profits.

Board of Trade.—The Association was invited to be represented at the meeting of the Board of Trade which was held on the 6th July 1963. The meeting was attended by Mr. I. F. Morris.

The meeting had carried out a general review of exports during 1962/63 and the steps that could be taken to achieve the export target for 1963/64. During these discussions the performance of the tea industry was examined and the opportunity was taken to draw attention to the following matters :—

- (i) There was need for intensified propaganda abroad especially among the younger generation.
- (ii) The industry was in financial difficulties as a result of its heavy obligations under the Plantations Labour

Act especially in the matter of labour housing, and money was not therefore available for opening up new areas. If these liabilities were reduced funds would become available for the production of more and better tea for export.

- (iii) The subsidised housing scheme should be extended to the tea industry.
- (iv) As no other commodity exported from India had to bear an excise duty at the time of export, it was inequitable that excise duty was not refunded on teas exported. This proposal was found unacceptable on the grounds that Government could not afford the loss of revenue which it would involve.
- (v) The proposal that expenditure on replacements on virgin soil should be treated as revenue expenditure was rejected on the grounds that it would encourage other industries to claim the same concession.

Although included in the Agenda the Board did not discuss the subject regarding quality control and preshipment inspection to which reference is made in another section of this report.

Tea Board Schemes for the grant of financial assistance to tea gardens.—In last year's report details were given of the various schemes which had been introduced by the Tea Board with a view to providing financial assistance to tea gardens.

At a meeting held in September 1963, the Chairman of the Tea Board invited the representatives of the Consultative Committee to submit their views on how the terms and conditions of the loans available under these schemes could be made more acceptable and attractive to the Industry. The matter was accordingly carefully examined by the Constituent Asso-

ciations and the following comments and suggestions were submitted to the Board :—

- (a) There is a limit to the amount of money which a company can borrow and it is unsound business practice to take loans without having regard to the capacity of the company to meet the interest charges and to repay the loan on due date.

(b) *TEA PLANTATION FINANCE SCHEME*

Clause 5 : Conditions of Replanting

The Board should not insist that “ new planting should be carried out on the approved site and with such planting material as may be prescribed.....” All that is necessary is that the Tea Board should lay down that the loanee should use “ good and approved planting material ”.

Clause 7 : Security for Repayment of Loan

The present *pari passu* arrangements are unsatisfactory : and in their place the Tea Board should be agreeable to accept :—

- (i) *Second charge on the property.*—It should also be agreed by the Tea Board that financing banks should always be allowed to have first charge on the estates' property which should continue from year to year. At present, unless there is an agreement to the contrary, when the debt covered by the first charge is paid off, the second charge takes its place.

- (ii) *A personal guarantee in case of mortgage by the directors of the company or by the managing agent.*—In such cases an extra quarter per cent might be payable which could be used to form a pool guarantee fund. Another possibility would be for the Board

to insure the risk out of accumulated and unutilised cess.

- (iii) *Land which has been replanted as mortgage.*—It is understood that a similar procedure is followed in respect of State Housing loans.

Clause 8 : Disbursement of Loan

During the first year up to 50 per cent of the loan should be paid at the request of the company, the balance being paid in three instalments for plains gardens, and in four instalments for hill gardens. (For small growers special provisions may not be necessary).

Clause 9 : Interest

- (i) No interest should be charged on the loan for the first five years as during this time, there is no revenue return to the company. The rate of interest should be 3 per cent.
- (ii) *Repayment.*—Repayment should commence two years after the last instalment of the loan has been given to the company ; the whole loan to be repaid in 15 years.

Clause 10 : Other Terms and Conditions

- (i) *Distribution of Profits.*—It is considered that a restriction on payment of dividends or distribution of annual profit is unnecessary and irrelevant as loans and dividends are unrelated.
- (ii) *Commitment charge.*—This charge should be deleted. Often the loan cannot be taken up by the loanee at the time laid down due to factors outside his control, i.e. non-availability of tea seed. To penalise a loanee because of this is considered to be unjust.

General.—(i) All or any of the suggestions made above may have to be modified for small growers, i.e., those with less than 50 acres.

(ii) Where there is suitable land adjacent to a tea garden, Government should allow this land to be used for tea.

(c) *TEA MACHINERY HIRE PURCHASE SCHEME*

Clause II : Maximum Total Value

It is considered that the maximum total value under this Scheme is insufficient for requirements, and it is suggested that it should be increased to Rs. 4 lakhs.

Clause XVIII : Repayment

Repayment should be in 12 equal annual instalments with the exception of vehicles and pumping equipment—see Schedule—where repayment should be in 7 equal annual instalments.

Clause XIX : Rate of Interest

The rate of interest should be 3 per cent.

Schedule.—To this list should be added tubewells, irrigation dams and channels, motor vehicles and workshop machinery.

General.—(i) It is the general experience of the Industry that it takes six to eight months for sanction of a loan to be obtained. It is suggested that as soon as an application is submitted, the company should be allowed to purchase machinery at its own risk. If the loan is not granted, the company would have to bear the full cost of the machinery itself.

- (ii) It should be agreed with the Central Board of Revenue that although the machinery is technically the property of the Board, usual depreciation should be allowed to the company.

(d) *LONG TERM LOANS*

At the present there is no method by which tea companies can obtain long term loans for major projects such as building or extending tea factories and for extensive irrigation schemes etc.

The Tea Board might consider making such loans available to the Tea Industry on low rates of interest.

Irrigation Schemes for Tea Gardens.— In last year's report it was recorded that the Tea Board's Tea Machinery Hire Purchase Scheme had been extended to cover irrigation equipment and that the Board had regretted its inability to grant assistance in respect of catchment work—such as the construction of dams,—which might be necessary to provide reservoirs of surface water.

As it was considered that tea gardens would not be able to take advantage of the assistance available under the scheme unless some arrangements were made for the provision of water supplies to work their irrigation systems, it was suggested to the Chairman of the Tea Board that the Board should use its good offices with the State Governments to undertake the responsibility of providing finance for this purpose.

In due course the Association was advised by the Tea Board that the West Bengal Government was prepared to sink deep tubewells, the capital cost of which would be provided either by the Government of India or the Tea Board and recovered from the consumers through a water rate. The Board has been asked to ascertain what the water rate is likely to be.

In Assam, Government has set up a committee, on which the Association is represented by the Shillong Adviser, to prepare a scheme for providing irrigation facilities for tea estates. A meeting of the Committee was held on the 20th November, 1963, when it was agreed that the Consultative Committee of Tea Producer Associations might be asked to assist in the preparation of Pilot Schemes for selected areas which are subject to drought. It is understood that the sort of schemes that would appeal to the P.W.D. are those involving an irrigation channel or piped aquaduct, which might be of benefit to several estates ; and members, particularly those with interests in Nowgong, Golaghat and Mangaldai, have been asked to put forward specific schemes for consideration by the Committee.

Towards the end of the year the Tea Board announced that the Tea Machinery Hire Purchase Scheme had been amended to allow loans up to Rs. 5 lakhs to one estate for irrigation equipment.

Wage Board for the Tea Plantation Industry. - Previous reports have referred to the setting up of a Wage Board for the Tea Plantation Industry under the Chairmanship of Mr. L. P. Dave.

During the year under review the Board met on six occasions—four times in Calcutta and once in Madras and in Bangalore. Meetings were also held in Bombay early in January and at Delhi in February 1964. At these meetings the employers and the unions continued to give evidence before the Board, and at the meeting in April, the Chairman of the Association delivered a supplementary speech dealing mainly with the effects of the 1963 Budget. The main speech had been delivered at the meeting of the Board held in September 1962. Each of the Employers' Associations during their evidence dealt in detail with the economic difficulties being faced by tea companies as a result of low productivity, unnecessarily elaborate amenities which had to

be provided under the Plantation Labour Act and heavy taxation, both by the Central and State Governments. Detailed references were also made to the severe overseas competition being experienced by Indian exporters. The present wage scales were satisfactory, particularly in view of the interim wage increase, and nothing further could now be given or indeed was required by labour except perhaps for minor adjustments in the wage scales. Stress was also laid on the value of fringe benefits which were received by labour which included free housing, medical benefits, leave with pay, food-grains at concessional rates and so on.

By the close of the year all parties had been heard and since November the sessions of the Board have been closed sessions at which the Chairman and Independent Members have been endeavouring to achieve agreement with the representatives of Employers and Labour. At the same time progress has been made in the drafting of the historical and factual portions of the Report and their scrutiny by the members. The Employers throughout the year have been represented by Mr. J. B. Sautar of UPASI and Mr. B. C. Ghose of ITPA, with Mr. P. Crombie of the Indian Tea Association as their official Adviser.

At the time of writing the sessions of the Board have not yet concluded.

Bonus Commission.— The Bonus Commission interviewed the tea industry's representatives in January 1963 ; and the Association was represented at the interview by Mr. J. L. Llewellyn and Mr. P. Crombie.

At this session the industry's representatives were called upon to explain why they favoured the extension of the North East India Plantation Workers Bonus Agreement of 1961 and

also their objections to the Bombay formula. The representatives were also asked questions regarding taxation and the related question of how profit should be calculated for the purpose of bonus. In reply an explanation was given as to why the industry considered that expenditure on replacement on virgin soil should be treated as a revenue charge. The fact that depreciation was not allowed on tea bushes was also mentioned.

At the time of writing it is understood the Bonus Commission have submitted their report to the Government of India.

Standing Labour Committee on Tea Plantations in Assam.—

The twentyfirst session of the Standing Labour Committee for tea plantations in Assam was held at Shillong on the 15th June 1963 and the Association was represented at the Conference by Mr. J. P. Hannay, Mr. J. Monro, Mr. J. E. Atkins and Mr. J. S. Hardman.

The principal subjects considered at the meeting were as follows :—

(a) *Firewood for labour.*—It was agreed that where tea gardens could not make available the agreed quantum of 16 cu. ft. of firewood per month they should supply 100 oz. of kerosene oil per week per family. This decision would be given effect from the 1st July 1963.

(b) *Gandhi Jayanti.*—The Association had suggested that the 2nd October should not be observed as a holiday on tea gardens in view of the loss of crop that it would involve and that a substitute holiday should be granted to the workers during the off season. It was agreed that this matter should be decided bilaterally between the Union and the Association.

(c) *Admittance of children of non-workers to garden schools.*—A proposal that the children of non-workers should be admitted to tea garden schools was strongly opposed by the employers' representatives on the principle that Government was responsible for the education of non-workers' children and that it was unreasonable to expect tea gardens to shoulder this burden.

(d) *Assam Tea Plantations Provident Fund Act.*—There was a lengthy discussion on the question of forfeiture of provident fund contributions in the event of dismissal for gross misconduct. It was agreed that the term "gross misconduct" covered too wide a range of misdemeanours and that employers would not object if the scope of this term were reduced to include cases of violence, theft, embezzlement, forgery and offences of a similar nature.

Workers' Participation in Management.— The Joint Council of Management, which was set up in 1958 on the Panitola Tea Estate, continued to hold meetings during the year. The Council on the Sonabheel Tea Estate which had ceased to function in 1961 owing to a lack of interest on the part of the Union, was reformed during the year.

As in the past, discussions at meeting of the Councils, were concerned very largely with welfare measures, with the upkeep of housing, roads and with arrangements which would be to the convenience and comfort of the workers. The meetings also afforded the management some opportunity of explaining to the workers' representatives the economic circumstances of the industry and the cultivation and development programmes of their estates.

In West Bengal, Government set up a Sub-Committee of the State Labour Advisory Board for the purpose of popularising the scheme of workers' participation in management, on which the Bengal Chamber of Commerce and Industry were represented by Mr. J. V. Jardine Paterson.

Workers Education Scheme.— Details of the Workers' Education Scheme were recorded in the Association's report for 1959. Under the Scheme the Government of India had set up a Centre at Tinsukia and at the meeting of the Assam Standing Labour Committee held in June it had been agreed that the Association should nominate twenty-four candidates for the first two courses, which would each be of three months' duration. The first course commenced on the 16th November 1963 and the Assam Branch arranged for eight candidates to be nominated from each Zone. The candidates were selected by the Unions and approved by the Managers. It was agreed that workers would be paid their wages during the period of their training, which would be regarded as duty and counted as days worked for the calculation of earned leave and bonus.

The North East India Tea Plantations Bonus Agreement, 1961.— (1) *Bonus for 1961.*—Under the provisions of the North East India Tea Plantations Bonus Agreement, the bonus for the year 1961 was paid during the year under review. As in the previous year the Unions continued to object to the inclusion of development rebate and the exclusion of investment income and income earned outside the area in the calculations of profits for bonus purposes. The Association retained its stand in these matters ; and it is understood that at the Union's request the problems have been referred by the Chairman of the Bonus Sub-Committee to the Government of India for a ruling, which is awaited.

(2) *Bonus Sub-Committee.*—A meeting of the Bonus Sub-Committee was held on the 18th February 1963 and was attended by Mr. J. L. Llewellyn on behalf of the Association's Chairman, who was ill at the time. As only one workers' representative was present only minor items were discussed.

(3) *Bonus Funds : Treatment of Contributions for tax purposes.*—The Government of India's ruling on the question

of the admissibility of payments to bonus funds as a revenue charge was received in following terms :—

- “(i) In the case of Assam Tea Companies, managing their own bonus funds, the actual payments of bonus to their own employees out of the bonus funds can be allowed as deduction in computing the total income of such Company in the year in which the bonus is actually paid from the Bonus Fund (and not in the year in which the amount is credited to the Bonus Fund) ;
- (ii) In the case of West Bengal Tea Companies contributing to a joint Bonus Fund, the contribution to that Fund can be allowed as deduction under Section 10(2)(xv) of the Income-Tax Act, 1922/Section 37(1) of the Income-tax Act, 1961, if the Company gives an undertaking that any reversion from the Fund can be charged to tax in the year of receipt and if the Company furnishes to the Income-tax authorities a certificate from the Bonus Fund Management each year showing the amount of its contribution to the Fund and the amount of reversion from the Fund ”.

(A) *West Bengal Plantation Workers' Bonus Fund*.—A meeting of the Board of Trustees of the West Bengal Plantation Workers' Bonus Fund was held in October when the position of the Fund was reviewed. The applications received from companies which had suffered losses in 1959 and 1960 or had made insufficient profits were examined and it was agreed that subject to the approval of the Supervisory Board, the payments applied for should be made. In spite of reminders certain estates did not send in their returns. The Trustees considered that no action could be taken by them to compel the defaulters to submit their returns and that all that could be done, was to send a list of the estates concerned to the Chairman of

the Bonus Board for his attention and necessary action and to ask the Associations concerned to ask their members to submit their returns. An important matter which was discussed at this meeting was the question of minimum bonus. Under Clause 11 of the Bonus Agreement withdrawals from a Bonus Fund are only permissible when it is not possible to pay a bonus of Rs. 10 to any member of the labour force from the allocated profits. The workers' representatives considered that the members of the labour force who had worked for 240 days should receive the minimum bonus of Rs. 10 and that minimum bonus payments should similarly be made to clerical and medical staff who had worked for eight months or more. The employers' representatives considered that this would lead to a number of difficulties and after discussion it was decided to ask the Bonus Committee to consider whether clause 11 of the Bonus Agreement could be interpreted to allow withdrawals from bonus funds to pay minimum bonus :—

- (a) to all members of the labour force who had worked for 240 days or more when no member of labour force received a bonus of Rs. 10 ;
- (b) to the members of the subordinate staff who had worked for more than 8 months when no member of the subordinate staff had received a bonus of Rs. 15, and
- (c) to members of the clerical staff, who had worked for more than 8 months, when no member of the clerical staff had received a bonus of Rs. 25.

Housing.—(1) *Working Group on Plantation Labour Housing.*—Last year's report made reference to the setting up by the Government of India of a Working Group to go into the whole question of finance and to devise ways and means to ensure the speediest possible completion of the housing programme by tea plantations.

After a number of meetings with representatives of employers and the workers and a few visits to tea gardens, the Working Group issued three questionnaires at the end of April of which Questionnaire I was for completion by Employers. This questionnaire was divided into three parts. Part I called for general information regarding location, area etc. of the replying estates ; Part II consisted of questions designed to ascertain the financial position of the Company concerned and dealt with the capital structure of the Company, the history of dividend payments, investment policy, overhead charges, depreciation, reserves, labour charges and methods of financing ; Part III consisted of questions to elicit details of the estate's record of housing construction, expenditure incurred on housing and the extent to which advantage had been taken of loans available under the various housing schemes. Opinions were also invited regarding the housing specifications and regarding the treatment of housing expenditure for income tax purposes.

The questionnaire, as well as a Supplementary Questionnaire, which was issued by the Working Committee to ascertain opinion regarding the establishment of housing colonies by small estates on a joint basis, or by Government or by Co-operative Societies, was studied in detail by a Sub-Committee consisting of Mr. P. B. Nicholls, as Chairman, Sir Richard Duckworth, Bt., Mr. G. A. McCarthy and the Association's advisers, and a guidance note was prepared and issued to all members under Circular No. 82 of the 8th July 1963.

A reply to the questionnaire was also submitted on behalf of the Association and a copy of this reply—without its appendices—is reproduced in the appendices to this report.

It is understood that the Working Group has almost completed its study and that its report will be finalised shortly.

(2) *Specifications for Labourers Houses in Assam.*—By a notification dated the 28th February 1963 the Assam Government amended the specifications laid down under the Plantation Labour Rules for labourers houses, which involved an increase in the plinth area from 368 sq. ft. to 568 sq. ft. and included provision for an additional room of 9 ft. × 10 ft. where the workers' family consisted of more than 5 members.

This notification caused much concern coming as it did at a time when the Working Group set up by the Government of India was still examining the whole question of finance and considering ways and means to ensure the speediest possible completion of the housing programme. Furthermore, the cost of the enlarged two room house was likely to exceed the cost of the previous house by over 50%, while the provision of an extra room would almost double the cost. Tea gardens had been unable to comply with the provisions of the Plantations Labour Rules, which required the construction of houses for 8% of the workers annually ; with the new specifications this obligation would become altogether unattainable. The Association made the strongest representation to the Labour Minister of the Assam Government and also brought the matter to the attention of the Chairman of the Tea Board, to the Chairman of the Working Group and to the Ministry of Commerce and Industry, Government of India.

The specifications were examined in great detail and estimates of costs were prepared. It appeared that against a cost of Rs. 2400 for a house to the previous specifications, a house to the new specifications would cost more than Rs. 5500, while the house with the extra room would cost at least Rs. 6000. A detailed letter, a copy of which is reproduced in the appendices, covering all aspects of the matter, was addressed to the Government of Assam on the 8th May 1963.

In reply Government stated that the specifications had been revised because the previous standards had proved to be unsatisfactory and because some houses built to the previous

specifications had collapsed. According to Government's estimates the new two room house would cost Rs. 5000 against Rs. 3000 for the previous house. Government also gave an assurance that houses built to the previous specifications would not be declared substandard during the period of their life time.

When it became clear that the efforts made to persuade the Assam Government to restore the previous specifications were unlikely to be successful the Association decided that the best course would be to prepare alternative specifications, which would cover the construction of a house one-third larger than the old house and also make provision for the addition of an extra room if required. This matter is receiving the consideration of a technical Sub-Committee set up by the Assam Branch.

In the meantime a plan was drawn up of a house which was very similar to that accepted by the West Bengal Government, and which it was considered would be perfectly adequate for the needs of a tea garden labourer. The plan provides for a house of two rooms of 120 sq. ft. each, a kitchen of 47 sq. ft., a store room of 16.30 sq. ft. and a verandah of 65 sq. ft. and a height of $8\frac{1}{2}$ ft. This plan has been forwarded to the Working Group and it is hoped that the Group will find it suitable for adoption by State Governments.

Another development which also caused concern was the issue of notices, by the Chief Inspector of Plantations to a number of gardens. The notices were of two types :

- (1) The first type stated that the garden had failed to provide housing accommodation of an approved standard as required during 1961/62 and the manager was asked to show cause why necessary orders should not be passed directing him to remove the deficiency.

- (b) The second type stated that whereas the garden had failed to provide accommodation as required during 1961/62 the Chief Inspector of Plantations had ordered that not less than "X" number of houses of the approved type should be provided within six months of the issue of the order.

This matter was also drawn to the attention of the Working Group, the Tea Board and the Government of India ; and the Working Group was asked to use its good offices to persuade the Assam Government not to proceed with these notices until after the report of the Group had been issued and its recommendations had been examined.

(3) *West Bengal Housing Advisory Board.*—One meeting of the West Bengal Housing Advisory Board was held on the 10th April and was attended by Mr. D. B. Wallace, Mr. P. Crombie and Mr. P. J. Parr on behalf of the Association.

At the meeting the progress made by tea gardens in their house building programmes was reviewed. It appeared that on the reporting gardens the position was that out of 9000 houses, which should have been provided up to the end of 1962 under the 8 per cent per annum rules some 8,383 houses had been built or adapted to the prescribed specifications. Although 130 gardens had applied for exemption under Rule 47 of the West Bengal Plantation Labour Rules : 95 on financial grounds and 35 on account of shortage of material, many had managed to build more than the number of houses they had undertaken to construct.

Supply of firewood for Labour.—(1) *Assam* : In last year's report it was recorded that it had been agreed at a meeting of the Assam Standing Labour Committee that managements would make available 16 cu.ft of firewood per household per month or an equivalent quantity of an alternative fuel and that a Sub-Committee would " examine the appropriate amount of

alternative fuels which would be provided in the event of the supply of firewood not being practicable”.

A meeting of the Sub-Committee, which was attended by Mr. S.B. Datta, was held on the 18th January 1963 when it was decided that the only practical alternative to firewood would be kerosene oil and that experiments which would cover the preparation of two full meals (these would include rice, dal and curry) and two teas per day, should be carried out with a single burner Janata stove. The Sub-Committee met again on the 21st February where three cooking tests were carried out on a Janata cooker.

The results of these experiments came up for discussion at the meeting of the Standing Labour Committee held on the 15th June 1963 when after much negotiation, it was agreed that where firewood was not available to the agreed extent of 16 cu.ft per household per month, the balance could be made up by the *pro-rata* issue of kerosene oil at the rate of one hundred fluid ounces per week per family. This arrangement would come into effect from the 1st July 1963. Members were advised to implement this agreement and to provide each family with one stove wherever the issue of kerosene oil was contemplated.

(2) *West Bengal*.—Firewood continued to be in short supply on tea estates in North Bengal and the only solution appeared to be the establishment of fuel baris by tea estates themselves. The Tea Board, on behalf of the Association, continued to press the West Bengal Government to exempt fuel baris from being taken over under the Estates Acquisition Act.

In March, Mr. R. D. C. McCall the Association's representative on the Forest Advisory Board, attended a meeting of the Board, at which it was recommended that gardens should be permitted to “work” their private forest lands in accordance with normal forest procedure. In this connection gardens

were asked to furnish the Forest Department Government of West Bengal with certain details.

Although no assurance was given that any land used for afforestation would not be claimed by Government, the Association considered that the information requested by the Forest Department, should be collected on the presumption that a Government guarantee that fuel bars would be exempted from resumption under the Estates Acquisition Act would be forthcoming.

Medical Services on tea estates.— Under the Plantation Labour Rules, tea gardens are required to submit periodical returns showing the progress being made by them in the matter of providing medical facilities to their staff and labour. The standards reached by members at the 31st December 1962 are recorded for information :

	Members' Standards as at 31-12-62 (Per Thousand Workers)	Plantation Labour Rules Standards
Hospital beds	32.74	15.00
Doctors	1.22	0.57
Midwives	1.38	0.57
Nurses	1.65	1.43
Compounders	1.27	0.57
Anti Malaria/Health Assistants	0.73	0.48

Labour Relations. In 1963, 21 strikes were reported from member gardens as compared with 33 in 1962. In 13 of these instances the stoppage of work lasted not more than one day, while in 3 cases only the strikes continued for more than five days. The number of mandays lost decreased from 103,440.3 in 1962 to 35,327. The loss of production was estimated at 51,981 kilograms of tea against a loss of 2,21,071 kilograms of tea in 1962. A brief analysis of the statistics in respect of each district is

given in the following paragraphs, in which for the purposes of comparison the corresponding figures for 1962 are shown in brackets.

In the Assam Valley 7(11) strikes occurred, involving 3,928 (9,734) workers ; 6,876 (18,417) man days were lost with a loss in wages of Rs. 12,406 (Rs. 29,699). Production losses amounted to 8,757 (85,024) kg.

In Cachar there were 3(2) strikes. The number of workers involved totalled 910 (645) and the man days lost were 910 (335). The loss in wages amounted to Rs. 1,351 (Rs. 505). Production losses amounted to 800 (1,306) kg.

In the Dooars there were 6 (11) strikes involving 6,744 (21,784) workers. The number of man days lost were 7,848 (21,843) and the wages lost amounted to Rs. 16,110 (Rs. 46,657). The loss in production amounted to 20,607 (73,529) kg.

In Darjeeling there were 4(7) strikes. The number of workers involved totalled 640 (2,819). The number of man days lost amounted to 18,694 (61,505) while the loss in wages was estimated at Rs. 29,976 (Rs. 101,058). The loss in production amounted to 18,719 (54,008) kg.

In the Terai 1(1) strike took place in 1963 involving 999 (371) workers. The number of man days lost were 999 (1,340) and the wages lost amounted to Rs. 1,860 (Rs. 2,435). The loss in production amounted to 3,098 (7,204) kg.

The Maternity Benefit Act, 1961. Last year's report recorded that the Maternity Benefit Act 1961, came into force in West Bengal on 1st January, 1963.

A number of difficulties were experienced in implementing the Act ; and the Association drew the attention of the Labour Minister, Government of West Bengal, to the following points :—

- (a) Under Section 6(5) of the Act the full ante-natal benefit was required to be paid in a lump sum in

advance. As there was some danger that the woman's nominee, who in most cases would be the husband, might be tempted to squander the money, it was suggested that it would be preferable for payments to be made weekly in advance.

- (b) The Act, unlike the previous legislation, did not make attendance at a hospital or clinic a condition precedent for claiming maternity benefit. It was suggested that it would be beneficial for a provision to this effect to be incorporated in the State rules under the Act.

The Minister promised to consider the suggestions made.

The attention of the Government of India was also drawn to the anomalous position which could arise as a result of the provisions of Section V(1) of the Act. According to this section a woman is entitled to receive maternity benefits at the rate of the average daily wage for the period of her actual absence immediately preceding and including the day of her delivery and for the six weeks immediately following the day. It was therefore possible for a case to arise in which a woman works, after completing 160 days work, for only one day during the three months preceding the date from which she absents herself. In such a case the woman would be entitled to have her maternity benefit allowance calculated on the basis of that one day's work, which if it occurred during a heavy flushing period might involve a disproportionate payment.

The Government of India replied to this representation in due course stating that they did not consider it necessary to make any change in the provisions of the Act because the situation which the Association had described was likely to arise only very rarely ; overtime earnings were not to be included when calculating the average daily wage ; and the maternity benefit could be enjoyed for a period not exceeding twelve weeks. Government's reply is under examination.

When the Maternity Benefits Act had been passed the Association had expressed its apprehensions that the very generous benefits, to which the workers would be entitled, were likely to act as a disincentive to workers taking an interest in family planning. The Association had therefore endeavoured to interest Government in a proposal to limit to three, the number of occasions that maternity benefits could be enjoyed by a worker. Government had been unable to accept the proposal. Towards the end of the year however the Association sought the assistance of the Chairman of the Tea Board, who was asked to persuade Government to consider once again whether there should be a limitation to the number of times maternity benefits could be claimed by the female worker, or alternatively whether reduced benefits could be prescribed for the fourth or subsequent child.

By a notification dated the 7th December 1963 the Assam Government brought the Maternity Benefits Act into force in the State with effect from the 16th December, 1963.

Provident Fund : (1) West Bengal. — (a) *Employees Provident Funds (Amendment) Act 1963.*—The Employees Provident Funds (Amendment) Act 1963 was published in the Gazette of India Extraordinary of the 7th September 1963 and brought into force with effect from the 30th November 1963.

This Act made substantial changes in the provisions of the Employees Provident Fund Schemes Act 1952 in regard to its application to contractors' employees, the constitution of the Central Board of Trustees, the powers of the Central Provident Fund Commissioner, Deputy Provident Fund Commissioner or Regional Provident Fund Commissioner, the transfer of an employee's accumulations on change of employment etc.

Under the provisions of the Amendment Act the principal employer is now liable for the payment of contributions

in respect of employees engaged by or through a contractor but he is entitled to recover from the contractor the amount paid by him on this account.

The Amendment Act also contains provisions which facilitate the transfer of an employee's accumulations in the statutory fund to the fund of another establishment to which the Act does not apply when he leaves a covered establishment and obtains re-employment in an uncovered establishment and vice versa.

(b) *The Rules.*—Several amendments were made to the rules during the year, the most significant being those necessary to give effect to the provisions of the Employees Provident Funds (Amendment) Act 1963.

(c) *Rate of Contribution.*—Last year the Employees Provident Fund Act 1952 was amended to give the Central Government powers to enhance the rate of contribution to the Fund from 6½% to 8%, after such enquiry as it deems fit, in industries which would be specified by notification in the official gazette.

In a notification dated the 18th September 1963 the Government of India announced that factories employing fifty or more workers, which were engaged in the manufacture of a number of items including tea, would have to pay contributions to the Provident Fund at the rate of 8% with effect from the 31st October 1963. The date was later changed to 1st November 1963. This notification was issued without consultation with the industries concerned and a strong protest was lodged with Government by the Employers Federation of India ; and the matter was also taken up with the Government officials concerned when the Association's representatives were in Delhi in October.

A number of problems arose as a result of this change in the rate of contribution and the Association issued the following advice to members :—

Applicability.—The increased rates will only be payable by tea factories in which 50 or more workers were employed on the 1st November 1963. Factories, which are not at present employing 50 workers but will do so later, will be required to pay the enhanced rate with effect from the date on which the number of workers employed in the factory rises to fifty.

Workers to whom applicable.—The increased contribution will have to be paid in respect of all employees who are members of the provident fund when they are employed in the factory whether permanently or temporarily. Where they are employed in the factory temporarily the increased rate will only be payable in respect of the period actually worked in the factory.

Workers employed in the plantation and in factories not employing 50 or more workers.—Contributions in respect of workers employed only in the plantations will continue at the existing rate of 6½%. In cases where less than 50 workers are employed in the factory throughout the year the rate of contributions in respect of all workers, whether employed in the factory or in the plantations, will remain unchanged.

(d) *Death Relief Fund.*—In November 1963 the Government of India announced the establishment of a Death Relief Fund to which a sum of rupees ten lakhs had been transferred from the Reserve and Forfeiture Account of the Employees Provident Fund.

The Fund is to be utilised for affording financial assistance to the nominees/heirs of deceased members so that a minimum of Rs. 500 is assured to them on the death of the member.

(2) **Assam.**— The Association continued to be represented on the Board of Trustees of the Assam Tea Plantations Provident Fund by the Shillong Adviser.

At the meeting of the Assam Standing Labour Committee held on the 15th June, 1963 a number of proposed amendments to the Provident Fund Scheme were considered. It was agreed that the Act and Scheme should be amended to increase the membership limit from Rs. 500 to Rs. 1000. A suggestion to delete the forfeiture clause was strongly opposed by the employers' representatives and after discussion it was agreed that the term "gross misconduct" covered too wide a range of misdemeanours and employers would not object if this was reduced to include cases of violence, theft, embezzlement, forgery and offences of this kind. It was agreed that the Scheme should be amended to permit those already paying their insurance premia out of withdrawals from their provident funds to continue such an arrangement on joining the Assam Tea Plantations Provident Fund Scheme.

A matter which caused some concern was the issue in August of circulars by the Secretary to the Board of Trustees of the Assam Tea Plantations Provident Fund Scheme advising members that, in consideration of the food situation prevailing in the district, Government had issued a direction authorising the grant of an advance from the Provident Fund of Rs. 15/- per family to workers in Cachar. The advance would be non-refundable and would be granted on the recommendation of the Cachar Cha Sramik Union. The Association considered the direction given by Government to be illegal and advised members to take no action on applications for loans received by them.

In the meantime the matter was taken up with the Chief Minister of Assam. It was pointed out that Section 44 of the Assam Tea Plantations Provident Fund Scheme only empowered Government to issue directions for the proper imple-

mentation of the Scheme and that the Scheme itself in Section 34 limited the purposes for which advances could be given. The reasons for granting the current advance were not included under this Section. Furthermore, it was quite unethical for a Trade Union to be given control over the recommendation of advances from the Provident Fund.

The Chief Minister was requested to have the direction withdrawn. No action was taken on this request but in a notification dated the 22nd October 1963 the Government of Assam amended the Scheme by the addition of the following paragraph :—

“ 34(e)—Grant of advance in special cases.

Government may, when famine conditions exist or for reasons of temporary suspension of employment for no fault of a subscriber, allow withdrawal by any subscriber from his provident fund account which may be either recoverable or non-recoverable. ”

At a meeting of the Board of Trustees held on the 15th October 1963 it was decided that interest for the year 1962/63 should be paid at the rate of three per cent on members' balances at the 1st April, 1962.

The Scheme to provide life insurance cover through the provident fund for all members of Fund in the age group of 18 to 40 years to the extent of Rs. 500 in respect of male workers, Rs. 250 in respect of female workers and Rs. 1000 in respect of clerical staff was introduced during the year. The Scheme was welcomed by the workers.

Labour Welfare : Assam. - (1) Rowriah Welfare Training Centre.—Two training courses were held during 1963 at the Rowriah Welfare Training Centre, which was transferred to the Dakhinhengera Centre at Jorhat, and Agency Houses were asked to provide twentyfive candidates for each course from the gardens under their control.

To assist the Tripartite Assessment Committee, which had been appointed last year to review all aspects of the training imparted at the Rowriah Labour Welfare Centre, to standardise its curricula and assess its utility, Government in a notification dated 28th November, appointed three Zonal Sub-Committees on which the Association were represented as follows :—

Zone 1—Dibrugarh Subdivision—Mr. D. K. Dutta, Secretary Assam Branch, Zone 1.

Zone 2—Sibsagar District—Mr. P. Nag, Duklingia Tea Estate.

Zone 3—Darrang & Nowgong Districts and North Lakhimpur Sub-Division—Mr. J. M. Lampitt, Sonabheel Tea Estate.

(2) *Mazengah Training Centre for Women.*—One course was held at the Mazengah Training Centre, which has been brought under the control of the Assam Tea Employees' Welfare Board, during 1963 and Agency Houses were asked to provide sixteen candidates from gardens under their control.

Assam Tea Plantation Employees Welfare Fund Act.—During the year a dispute arose between the Assam Tea Plantations Employees Welfare Fund Board and the Government of Assam over the appointment of a full time Welfare Commissioner and a Secretary. The Assam Government considered that the Board should appoint a full-time Welfare Commissioner and a Secretary, whereas the Board was of the view that there was no justification for such appointments so long as the activities of the Board remained at their present level. Government thereupon issued a direction to the Board under Section 9 of the Act to appoint a full-time Welfare Commissioner. The Board advised Government that they did not consider such an appointment necessary but agreed to make the appointment if the expenditure involved would be met by Government. Government then issued a notice on the Board calling upon

the Board to show cause why the Board should not be dissolved for not complying with the direction issued by Government; and the Board decided to place their case before the Chief Minister of Assam.

In a notification dated the 11th September, 1963, the Government of Assam published an amendment to the Act, which empowered Government to dissolve a Welfare Board before the expiry of its three year tenure of life, and in pursuance of these powers issued a notification dated the 18th October, 1963, dissolving the Welfare Board and reconstituting it. To represent the Association, Government nominated Mr. R. R. L. Pennell ; but as Mr. Pennell was due to go on leave, the Association nominated Mr. E. H. Hannay to take his place on the new Board.

Holidays With Pay.— In last year's report it was recorded that the Association was endeavouring to persuade the Union in Assam to accept a holiday in the cold weather in lieu of a holiday on the 2nd October which falls at the height of the plucking season.

During the year several discussions were held between representatives of the Assam Branch and the Union to discuss this proposal ; and the Association sought the support of the Assam Labour Minister to the suggestion already put forward to the Union that suitable ceremonies should take place on the morning of the 2nd October after which work would proceed normally and that a substitute holiday should be granted on any other day during the cold weather.

The Labour Minister suggested that the matter should be discussed at a meeting of the Standing Labour Committee and the subject was therefore placed on the Agenda for the meeting which took place on the 25th June 1963.

At this meeting no settlement could be arrived at and it was agreed that to avoid any embarrassment to the Assam

Government and the Labour Minister the matter should be discussed bilaterally with the Union outside the Standing Labour Committee.

Further discussions were held with the Union but when no agreement could be reached by the middle of September 1963, the Association agreed that the 2nd October 1963 should be observed as an additional paid holiday in Assam.

At a meeting of the General Committee held on the 12th December 1963, it was agreed that as Republic Day would fall on a Sunday in 1964 the following recommendations should apply :—

- (1) Sunday the 26th January 1964 will be treated as a paid holiday for those workers who normally work on a Sunday ;
- (2) A paid holiday will be granted on the 27th January 1964 to all other workers.

Clerical & Medical Staff.—(1) *Annual leave for staff in the Dooars.*—Last year's report recorded that the Dooars Tea Garden Indian Employees Association had asked the Labour Commissioner, West Bengal, to refer their demands in respect of annual leave to arbitration by the Chairman of the Association. The formal order of reference was issued by the Government of West Bengal, Labour Department, under a notification dated the 29th April 1963.

The Chairman, the Hon. S. P. Sinha, called upon the Dooars Branch and the Union to file their written statements and to appear before him at Binnaguri on the 19th June 1963.

After hearing both parties, the Chairman issued his award which was published in the Calcutta Gazette of the 5th September 1963, in the following terms —

- (a) Those who have completed 240 days work in a year, up to the completion of 10 years' service, will be

entitled to 15 days leave in the year, which is the amount prescribed under the Plantations Labour Act.

- (b) In respect of those who have completed 10 years' service but have not completed 20 years' service the amount of leave admissible will be 21 days.
- (c) Those who have completed 20 years' service will be entitled to leave amounting to 30 days.
- (d) In a Circular of the 28th of March, 1961, 3 days casual leave was recommended for those who received not more than 15 days' annual leave and this concession should continue in respect of those whose leave is restricted to 15 days.
- (e) There remains the case of those who are fortunate enough to enjoy leave terms in excess of those which I have decided to adopt in this award. It would be inequitable for privileges which have been secured to be withdrawn, and these should continue as a personal privilege of the existing incumbents but no claim for the benefit of such privileges should be deemed to accrue in the case of new entrants.

The union has agreed that the award should be introduced, where applicable, with effect from leave earned in 1963.

(2) *Retiral Benefits for Clerical Staff in the Dooars.*—The negotiations, which had been going on with the Unions in the Dooars with regard to the introduction of a scheme of minimum retiral benefits for clerical and medical staff in that district, were brought to a satisfactory conclusion with the signing of an agreement between the Dooars Branch and the Dooars Tea Garden Indian Employees Association on the 9th January 1964. The Agreement, which was to be effective from the 1st January 1964, stated that Companies would be

free to organise their own schemes of retiral benefits but every employee, governed by the scales of pay detailed in Table I of the Dooars Branch pay scales, would be paid retiral benefits which would be at least as favourable as the following minimum standards :—

- (i) the total of the actuarial lump sum valuation of any pension granted, plus,
- (ii) any retiring gratuity, plus,
- (iii) where provident fund benefits are given by the employer in excess of the rate prescribed under the Employees' Provident Fund Scheme, such part of the employer's contribution as exceeds the contribution the employer would have given had the Employees' Provident Fund Scheme applied to the employee from the beginning of his service ;

shall be not less than the equivalent of half a month's final basic pay plus dearness allowance for every year of service, or 15 months final basic pay plus dearness allowance, whichever is less.

The expression "gratuity" in this connection includes any lump sum donation or payment, and also benefits in kind, such as free housing or land for cultivation.

The agreement also stipulated that the retirement age would be 58 years with annual extensions up to 60 years at the discretion of the Employer. Extensions beyond 60 years would not normally be granted and all employees who had already attained the age of 60 years would be retired before the 1st January 1965. The full text of the Agreement is reproduced in the Appendices to this report.

(D) *Servant allowance to Clerical & Medical Staff and Artisans in Cachar : Industrial Dispute.*—By a notification dated the 30th September 1963 the Government of Assam

referred to a Tribunal a dispute between the Indian Tea Employees Union, Silchar and some 73 gardens in the Surma Valley regarding the rate of servant allowance to be paid to the clerical and medical staff and artisans.

In 1954 the Association recommended as a result of an agreement with the INTUC that in the Assam Valley and Cachar each member of the Clerical and Medical Staff should be allowed one servant or, where no servant was provided, should be paid a servant allowance equivalent to the ruling wage of an adult labourer. In 1956 as a result of an agreement with the Assam Cha Karmachari Sangha it was decided that in the Assam Valley the servant allowance should be paid at the flat rate of Rs. 55 per month. In the case of the Surma Valley servant allowance continued to be paid on the basis of the ruling wage of an adult labourer. The Indian Tea Employees Union claimed that the Assam rate should be paid in Cachar. When this demand was rejected they claimed that payment should be made on the basis of thirty days wages of an adult labourer and not on the basis of twenty-six days as had been recommended by the Association. These demands form the basis of the dispute which has now been referred to the Tribunal.

Medical Advisory Boards.—(1) Assam. A meeting of the Assam Medical Advisory Board was held in Shillong on the 28th September 1963, at which the Association was represented by the Acting Shillong Adviser, Mr. S. B. Datta, and Dr. A. Gilroy.

The main items for discussion at this meeting were the reports submitted by the following Committees, which had been set up by the Chief Inspector of Plantations in pursuance of the decisions taken at the meeting of the Board held in October 1962 :

- (a) **Committee on Group Hospitals.** The Association nominated Lt. Col W. H. A. Thorne as its representative on this Committee.

- (b) Committee to consider establishment of the Aenakhall & Labac Hospital as group hospitals. The Chairman of the Surma Valley Branch, Mr. A. M. Shaw, was nominated to this Committee.
- (c) Committee to examine the provision of combined facilities for Cachar gardens and to consider the extension of medical facilities to resident non-workers. The Chairman of the Surma Valley Branch was also nominated to this Committee.

(a) *Group Hospitals*.—The Committee on Group Hospitals held a meeting on the 18th April 1963. As the Association had not been informed of the meeting it was not possible for the Association's representative to be informed of members' views. When an attempt to get the meeting postponed on this account failed, the Association's representative agreed to take part in the discussion on an assurance given by the Chairman that the discussions would be of an exploratory nature and that the recommendations, if any, would not be binding until they had been examined and approved by the Medical Advisory Board.

The Committee recommended that the floor space for group hospitals should be fixed as 600 sq. ft. per bed instead of the 800 sq. ft. per bed prescribed under the Plantations Labour Rules. A proposal for the establishment of Regional Hospitals instead of Group Hospitals was examined, the idea being to use existing hospitals as a nucleus and to build them up in a phased programme to a bed strength of 100. The ratio of beds to workers and dependants was also discussed. It was agreed that certain departments which had been prescribed for Group Hospitals would not be required for Regional Hospitals. Suggestions regarding staff for the hospitals were also examined. To finance the proposed Regional Hospitals the following suggestions were put forward:—

- (i) A voluntary contributory scheme should be evolved between the Producer Associations to finance the

development of existing hospitals on the lines suggested.

- (ii) A cess should be levied at source on the lines of that levied for the Coal Mines Welfare Organisation.
- (iii) A State Health Insurance Scheme should take over and administer medical services on tea estates.

These recommendations were considered at the meeting of the Medical Advisory Board when the Association's representatives indicated that a survey was being made of the facilities available at hospitals which the Association considered might be brought up to Group Hospital standards. On the basis of this survey the Association would in due course prepare a scheme which it was hoped would cover all the tea gardens in the membership of the Association and the Assam Branch.

This suggestion was accepted by the Board.

In pursuance of this agreement Dr. A. Gilroy, Principal, Ross Institute of Tropical Hygiene and a panel of P.M.Os in Assam were asked to undertake a survey of existing facilities and to prepare a plan for the development of existing hospitals into Group Hospitals which will serve the entire Branch area. A preliminary plan has been drawn up and is under examination.

(b) *Aenakhall & Labac Hospitals.*—The Committee, which, was appointed to examine how the Aenakhall and Labac Hospitals could be maintained as Group Hospitals, held a meeting on the 14th February 1963 after paying a visit to the hospitals and made the following recommendations :—

- (i) Government should issue orders to all tea estates to establish Group Hospitals or to make the necessary arrangements with existing Group Hospitals for the treatment of their workers.

- (ii) The proprietors of the Aenakhall and Labac Hospitals should be requested to maintain their hospitals as Group Hospitals and to allow other estates to utilise their facilities on mutually agreed charges.
- (iii) If employers failed to respond, Government should take powers to impose a cess to meet the cost of providing and maintaining Group Hospitals.

In pursuance of these recommendations the Chief Inspector of Plantations issued a circular on the 3rd April to all tea estates in Cachar calling upon them to establish Group Hospitals or to make suitable arrangements for the treatment of workers and dependants at existing Group Hospitals. Estates were advised that failure to make such arrangements would result in Government taking powers to impose a cess.

The Association lodged a strong protest with the Assam Government against the action taken by the Chief Inspector of Plantations. It was pointed out that tea gardens in Cachar were uneconomic and could not afford to establish Group Hospitals. It was suggested that tea estates in the vicinity of the Aenakhall and Labac Hospitals should be encouraged to support these hospitals and that the others should be permitted to utilise the facilities of the Government hospitals at Silchar and Karimganj and also the Alipur Mission Hospital and the hospital at Hailakandi. If Government endeavoured to levy a cess for the maintenance of Group Hospitals as well as a cess for the unified Health Service Scheme, it would place additional financial burdens on an already uneconomical sector of the industry.

The report of this Committee was discussed along with the report of the Committee on Group Hospitals to which reference is made earlier.

(c) *Medical Facilities in Cachar.*—The Committee to examine medical facilities in Cachar held a meeting on the 15th February 1963 and made the following recommendations :

- (i) All tea estates which did not have medical facilities up to the prescribed standard should be brought under a unified Health Service Scheme which would be financed by a cess.
- (ii) Alternatively, tea gardens in Cachar should be brought under the Employees' State Insurance Scheme subject to the conditions—
 - (a) that no contributions would be payable by the workers ;
 - (b) that estates already providing the requisite facilities would be exempted ;
 - (c) that there should be no diminution of facilities under the new Scheme.
- (iii) Government dispensaries should be established for the treatment of resident non-workers in the vicinity of tea estates. Where this was not found possible garden hospitals should be subsidised under the Health Service Scheme or the Employees' State Insurance Scheme to provide facilities for the non-workers.

These recommendations were not supported by the Association's representative, who expressed the view that the Employees' State Insurance Scheme might not be altogether suitable having regard to existing facilities available and the isolated location of tea estates.

At the meeting of the Medical Advisory Board these recommendations were opposed by the Association's representatives, who expressed the view that tea gardens had no real

obligation to provide medical facilities to the large number of non-workers resident on tea gardens in Cachar. After discussion it was decided that the Medical Inspector of Plantations should submit a report on a proposal made by the Labour Minister covering :

- (i) the setting up of a Board which would administer the medical facilities required ;
- (ii) the financial implications of the Scheme having regard to the obligations of tea estates under the Plantations Labour Act ;
- (iii) the manner in which the Fund to meet the cost of the Scheme should be raised ; and the arrangements which would have to be made with the garden whose hospital would be expected to provide facilities to others.

(2) *West Bengal*.—One meeting of the West Bengal Medical Advisory Board was held in 1963 at which the Association was represented by Mr. P. J. Parr and Dr. I. P. Madhok, the Chief Medical Officer of the Nagrakata Medical Association.

At this meeting only one subject was discussed viz. the qualifications to be held by nurses and midwives employed in tea garden hospitals and dispensaries. It was agreed that if owing to the acute shortage of trained nurses and midwives, qualified personnel were not available, tea gardens would have no choice but to engage unqualified nurses and midwives.

Family Planning. The Family Planning Programme of the Assam Branch continued to make progress with the Social Worker, Miss S. Kalsi, working under the direction of the Family Planning Adviser, Dr. A. Gilroy.

Experience has shown that the workers are interested in family planning and the main obstacle is the non-availability of suitable and reliable methods of contraception.

An increasing number of workers have volunteered for sterilisation and during the past three years nearly 3300 men and women have been sterilised. The Association recommended that workers undergoing sterilisation should be paid a bonus of upto a maximum of Rs. 20 and should be granted sick leave upto a maximum of 10 days.

A consignment of Conovid-E, an oral contraceptive, was received from the manufacturers and a field trial is being carried out in Upper Assam under the clinical direction of Dr. W.D.V. Burton, Principal Medical Officer of the Assam Frontier Tea Co. Ltd. The social worker has been transferred to the Rajgharali Tea Estate to assist Dr. Burton in the trials.

Employment Problems . (1) *Assam* (i) *Screening Committee for managerial staff appointments.*—The Screening Committee set up by the Government of Assam to examine applications received from candidates seeking employment in the tea industry held a meeting in Gauhati on the 7th and 8th October.

The Association was represented on the Committee by Mr. A. J. Cameron of Williamson Magor & Co. Ltd., and Mr. J. D. Bruce, Chairman, Mangaldai Circle, Assam Branch Indian Tea Association. The Committee interviewed a large number of candidates and finally selected twentyfour, who it was considered might be suitable for appointment on tea gardens as assistant managers/welfare officers. As in the past, the Association has made arrangements for each candidate to be granted at least two interviews by members.

(ii) *Employment of Contract Labour.*—In last year's report it was recorded that the Assam Standing Labour Committee had set up a Committee to go into the questions of employment of contract labour and absenteeism on account of khet cultivation.

This Committee held two meetings during the year : one on the 12th June 1963 and the other on the 28th August 1963.

At the first meeting the replies received to the questionnaire which had been issued by the Committee were examined ; and it was decided that further information should be called for from the estates which had replied. It was also decided that the Committee should visit a number of gardens in the Golaghat and Jorhat Sub-divisions.

The second meeting was held at Jorhat, when the gardens previously selected were visited and information was collected regarding the extent to which contract labour was employed and the reasons for their employment.

(iii) *Surplus Labour on Tea Gardens in Assam.*—A meeting of the Central Committee on Unemployment on tea gardens in Assam, which was set up in 1959, was held in June 1963, when the activities of the Special Exchange for Plantations at Dibrugarh were reviewed. The meeting was attended by Mr. J.S. Hardman, the Shillong Adviser and Mr. H. Fraser of the Borengajuli Tea Estate.

The Committee also considered the unemployment situation in Cachar. The workers' representatives argued that the demand for labour on Assam gardens would not be able to absorb the large surplus of labour available in Cachar and that the only solution was the settlement of the unemployed labour on surplus tea garden land. This suggestion was strongly opposed by the employers' representatives who pointed out that the amount of land available was extremely small and that to introduce persons over whom the Management had no control, was likely to be detrimental to the development of the Tea Industry.

(2) *West Bengal* (i) *Employment on tea gardens.*—Three meetings of the Committee set up by the Government of West Bengal for the collection of information on the employment

position in the plantations in West Bengal were held during 1963.

At the first meeting which was held on the 24th May and which was attended by Mr. P.J. Parr, the Committee examined the Analytical Report prepared by the Statistical Department of the Labour Commissioner's office on the basis of the figures which had been received from gardens to the Committee's questionnaire. The data appeared to show that the total number of unemployed had risen between 1956 and 1960 and that during the same period the average number of workers per acre had decreased slightly. Discussions took place as to the probable reasons for the position revealed by the report.

The second meeting was held on the 29th July 1963 and was attended by Mr. P. Crombie. At this meeting discussions took place as to the manner in which the surplus labour could be absorbed on work of tea gardens or in other employment. It was eventually decided that the employers and labour would submit their views on this matter in writing within a month.

In due course after a further study of the Statistical Department's analytical report the following comments, inter alia, were submitted :—

- (a) There were certain errors in the collection and compilation of the statistics. For example, those for whom no work was available on the garden had been included under the head "unemployable due to other reasons" and had therefore been treated as dependants of the employees although they did not necessarily come within the definition of the term "family" in the Plantation Labour Act.
- (b) The enquiry had revealed that the decline in total employment in tea gardens in West Bengal had been comparatively small. Although total employment had declined there had been no appreciable

shrinkage at all in employment of adult males and females and the decline had been only in respect of adolescents and children. This was the result of the generous policy of the employers in consonance with the recommendations of the Indian Labour Conference in not retrenching their employees but relying on natural wastage to reduce numbers. It was not now possible for employers to give employment to every child when he grows up.

- (c) It was unwise to attempt to fix any minimum rate for the employment of permanent workers as had been suggested by the labour representatives. Apart from the fact that it was the employer's right to decide the size of his labour force conditions varied from garden to garden and it was not possible to fix an optimum ratio between labour and the area of the estate. Furthermore the present average number of workers per acre on estates in North East India was higher than in any other tea growing area the world.
- (d) The reason for the very steep rise in the unemployed population in tea gardens was the very high birth rate and the healthy conditions in which the workers lived. The long term solution to the problem was the spread of family planning. In the short term it was clear that there was no hope of any substantial number of the currently unemployed ever being absorbed in the Tea Industry. The solution lay in finding work for them outside the garden such as on projects under the public Works department, on Agricultural Development projects and in local small scale industries.

The third meeting, which was attended by Mr. P. J. Parr took place on the 8th November when a note headed "A draft

of the Final Report of the Committee", which summarised the comments received from the Association, the Indian Tea Planters Association and the two major Unions in the Dooars, was examined. As only one Union representative was present at the meeting, it was decided that the discussions should only be of a general nature and that the note should be circulated to all concerned.

The final meeting of the Committee was held on the 30th anuary 1964 and was attended by Mr. P. Crombie. At this meeting the report was finalised and signed by all concerned. The conclusions reached were :

- (a) There has been a decline in total employment in the tea plantations in West Bengal.
- (b) It was noted, however, that there was no agreement on the extent of this decline nor as to the main causes thereof.

Land Requisition in Assam.— By a notification dated the 12th February 1963, the Government of Assam set up a Committee which included the Chairman of the Tea Board, and the Shillong Adviser to review and examine what modification might be necessary in the existing formula for requisition of tea garden land. No meetings of the Committee have yet been held, but at Government's request the Association put forward the following suggestions which it was considered should be regarded as guiding principles in the matter of land requisition :—

- (i) each case of proposed requisition of tea garden land should be examined by the Central Committee, but if this were not possible, and cases had to be examined by the District Committees, the aggrieved party should have the right of appeal to the Central Committee.

- (ii) khet land held by labour should be excluded for the purpose of computation of surplus land.
- (iii) land incapable of utilisation, such as steep barren slopes, outcrops of rock, sunken bheels which could not be drained, should be excluded for the purpose of computation.
- (iv) as large areas of land would have to be utilised for labour housing schemes, it was urged that the total area required for labour housing should be excluded in determining any surplus land.
- (v) no land which was suitable for the planting of tea, provided that the companies concerned could show their intention to use it for this purpose, should be requisitioned.
- (vi) airfields on tea estates should be excluded from the formula.

A number of cases were reported of land being requisitioned for use by the military. Where such land was likely to affect the interests of the tea garden, representations were made to the local military authorities and in some cases it was possible to offer alternative sites. At the suggestion of the Tea Board, the Defence Department of the Government of India agreed that a representative of the Industry might be appointed to the "Siting Boards" for the various areas, and it is hoped that once this appointment is made, it will be possible to ensure that the requirements of the Army are met without disrupting the Industry's programme of extensions.

Complaints continued to be received that compensation for land requisitioned by the Assam Government was being delayed. Information is being collected regarding such outstanding cases and steps will be taken to represent the matter to the appropriate authorities.

Introduction of the Metric System of Weights and Measures.—

Under the State Weights & Measures (Enforcement) Acts, no weight, measure or weighing and measuring instrument may be used "in any transaction in trade or commerce" unless it has been verified or reverified and stamped by an Inspector of Weights and Measures. With a view to determining which weighing machines used on tea gardens could be considered to be machines used in commercial transactions the Ministry of International Trade set up a Study Group consisting of the following :—

- (1) Director of Tea Development, Tea Board
(Chairman)
- (2) A representative of the Indian Tea Association
- (3) A representative of the Consultative Committee of Tea Producer Associations
- (4) Representatives of Weights and Measures Departments of West Bengal, Assam and Madras.
- (5) A representative of the Directorate of Weights and Measures, Government of India.

The Association nominated Mr. P. J. Parr as its representative on the Study Group ; and Mr. D.C. Ray of the Indian Tea Planters Association was nominated by the Consultative Committee of Tea Producer Associations.

The Study Group held a meeting on the 4th December 1963 when it examined a report prepared by the Assistant Director of Weights and Measures after conducting a survey of weighing machines in use in various sections of a number of tea gardens in Assam and West Bengal.

After considerable discussions the following recommendations were made :—

- (1) Tea gardens should be allowed to continue using their domestic type Salters' spring balances for so

- (ii) khet land held by labour should be excluded for the purpose of computation of surplus land.
- (iii) land incapable of utilisation, such as steep barren slopes, outcrops of rock, sunken bheels which could not be drained, should be excluded for the purpose of computation.
- (iv) as large areas of land would have to be utilised for labour housing schemes, it was urged that the total area required for labour housing should be excluded in determining any surplus land.
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After considerable discussions the following recommendations were made :—

- (1) Tea gardens should be allowed to continue using their domestic type Salters' spring balances for so

long as they were accurate although it was not possible for them to be verified. Once the balances had outlived their normal life they would have to be replaced by trade type balances which were more sensitive and capable of being verified and sealed.

- (2) As weighment done in the Rolling Section, Dryer Mouth Section and Grading Section were only carried out for process control checking purposes it was not obligatory for the weighing machines used in these sections to be verified or stamped. If, however, unverified weighing machines were used it would be necessary for the garden to submit a declaration under Section 20(2) of the West Bengal Act or Section 25 of the Assam Act as applicable. Such unverified weighing instruments would have to be kept segregated and would not be allowed to be moved to departments where the weighing instruments were required by law to be verified.
- (3) Weighing machines used at the time of clearance, on the basis of which excise duty was paid, would have to be verified and stamped. Although weighing machines used for packing teas destined for sale at the Calcutta auctions did not require to be verified, machines used for packing when the teas are not sold in auction but on the basis of the declared weight of the chest, would have to be verified and stamped.
- (4) Weighing instruments used in the distribution of rations to labour would have to be verified and stamped.

The Committee also considered the question of the scales used in the weighment of green leaf. It is customary for tea gardens to set back these scales to allow for the tare of the basket so that the worker is credited with the quantity shown

by the needle on the scale and there is no need for adjustments in the recorded weight on account of tare. It was suggested to the representatives of the Weights and Measures Department that such balances should be tested for accuracy but should not be sealed to prevent the customary setting back. This suggestion was not acceptable and it was decided that existing practices should continue until the Sub-Committee appointed by the Study Group had completed its investigations and submitted its report on the various systems followed by gardens in the weighment of green leaf. The Sub-Committee consists of the Controllers of Weights and Measures for Assam and West Bengal and Mr. P. J. Parr.

Formation of Consumers' Co-operatives of Industrial Workers.—

At the Indian Labour Conference held in August 1962 a scheme for the organisation of consumer co-operatives of industrial workers had been adopted.

During the year the State Governments of Assam and West Bengal drew the attention of the Association to this scheme and asked for views on whether such a scheme could be successfully operated in tea estates. The scheme envisaged the grant of the following financial assistance by employers viz :—

(a) share capital contribution or foundation money for purchasing shop equipment			
...	...	Rs.	2,500/-
(b) Loan for working capital			
...	...	Rs.	10,000/-
(c) Managerial subsidy to meet the establishment cost, such as salaries and rent charges on a tapering basis for three years :			
1st Year	...	Rs.	900
2nd Year	...	Rs.	600
3rd Year	...	Rs. 300	Rs. 1,800/-

The Association's preliminary reactions were that as far as tea gardens were concerned, managements might give the subsidy recommended, provide accommodation if possible and give guidance in the setting up of the co-operatives. Managements should not become directly involved in running the co-operatives. In view of the previous experience of the co-operative movement, it was considered that the scheme should be limited to the establishment on an experimental basis of one or two co-operatives and that, in view of the financial position of the industry, garden managements should not be expected to participate in the share capital or to give any financial assistance to the co-operatives.

The proposals, however, were referred to the Branch Associations for their comments and the replies received revealed that there was no support for the scheme for a number of every cogent reasons.

- (a) Tea estates already supplied rice and atta to workers at concession prices and they were not anxious to resume the distribution of other commodities which had previously been issued and for which cash compensation had been paid.
- (b) Labour were not sufficiently educated to operate co-operatives with success. Previous experience had been unhappy and shops had to be closed with loss of capital.
- (c) A number of difficulties are involved in running co-operatives e.g. there is no profit to be made on rationed goods such as foodgrains etc. at controlled prices and the procedure for obtaining such goods was cumbersome ; the procedures laid down by the Co-operative Societies were elaborate and time consuming and the co-operatives had to pay an audit fee ; co-operatives could not compete with the local garden shops which offered credit and undercut

the stores' prices ; to function economically co-operatives must be able to obtain their supplies from conveniently situated wholesale co-operative depots which would supply them goods at prices which would give them a reasonable margin of profit. The price should include the cost of delivery to the garden.

The Government of West Bengal, Labour Department convened a conference on the 18th October 1963 to consider the setting up of consumers' co-operative stores on tea estates in West Bengal. The Conference was attended by Mr. P. J. Parr on behalf of the Association.

At this meeting it was announced that Government desired the industry to set up a consumers' co-operative store on each plantation employing more than 300 workers. As tea gardens already supplied their workers and their recognised dependants with foodgrains at concessional prices the stores would not be able to deal in foodgrains, but they could supply other commodities such as sugar, cloth, kerosene oil, cooking oil, salt etc. for which Government was proposing to set up a co-operative wholesale distribution depot at Siliguri. The employers' representatives explained all the objections which the industry had to the setting up of co-operative stores on tea gardens. After protracted discussions it was agreed that the Producer Associations would consider the possibility of financing consumer co-operative stores in the bazaars frequented by tea garden workers initially at such places as Mal, Nagrakata, Kalchini, Matigara and Pul Bazar. Government would build the accommodation and administer the co-operative society running the stores and the employers' financial liability would be reduced to approximately Rs. 400 as share capital and Rs. 2000 as loan for working capital per estate, the exact amount depending on the number of estates served by the stores.

Government's proposal is under consideration.

Foodgrain Supplies : 1963.— Steel Brothers & Co. Ltd. continued to act as the Association's agents for the procurement of foodgrains for tea gardens in West Bengal and Assam and during the foodgrain year ended 31st October, 1963, they delivered 61,000 tons of grain to tea estates as follows :—

		<i>Rice</i>	<i>Wheat</i>
Assam	...	23,000 tonnes	7,000 tonnes
Bengal	...	15,000 tonnes	16,000 tonnes

Assam.

In the eleven Circles in the Assam Valley supplied through Steel Brothers & Co. Ltd. the opening stocks were relatively satisfactory, but though the rice crop was generally good the Government procurement methods proved to be ineffective in view of the high prices prevailing in the open market. Offtake in the early months of the year did not fall, as rice had to be issued to workers who already grew their own, as a result of the Government directive. Though stocks were built up with difficulty, demand increased, reaching a peak in June, and after a recession, rising again almost to the June level in the month of November. Substantial supplies—7000 tonnes—had to be secured from the Central Government, but in spite of this the position in the latter part of the year continued to be precarious. It became necessary in the month of August to reduce the rice ration and make a corresponding increase in the wheat ration. Issues of rice totalled 225,000 quintals, representing an increase of fifty per cent of the offtake in 1962. The five self-procuring circles experienced less difficulty but even here there was some anxiety over stocks. Offtake amounted to 24,000 quintals against 19,000 in the previous year.

Supplies of wheat were readily available as and when required and issues throughout the year amounted to 88,000 quintals, almost three times the quantity issued in the previous year. Reserve stocks which had been perfectly adequate in

the previous years were quickly exhausted and although the supply from Calcutta was increased and accelerated to meet the rising demand, the normal time lag caused a difficult situation to arise. This was aggravated into a near critical situation as a result of a number of wagons being held up in transit for two weeks, on account of military movement. This critical phase soon passed, however, but the stock position is again causing concern.

The pool rate for rice in 1963 was Rs. 68.00 per quintal as compared with Rs. 64.80 per quintal in the previous year.

West-Bengal.

In contrast with earlier years only a small quantity of rice was obtained in Orissa. The prices in that State rose to an uneconomical level early in the season. Fortunately a substantial surplus was available in Nepal and estates' requirements were met from that source.

Purchases for the year were completed by March and consequently all gardens were adequately protected when the market rose to unprecedented heights in September.

Average costs landed on gardens were somewhat higher than before being approximately Rs. 69/- per quintal as against Rs. 60 per quintal in 1962.

The supply of wheat was made without difficulty as programmed.

Cachar.

Cachar had a somewhat similar experience to the Assam Valley and offtake was abnormally high, resulting in a dangerous depletion of stocks by the month of June. Issue to Pool members totalled 17,000 quintals of rice and 16,000 quintals of wheat.

Khet Assessment.— Last year it was with great reluctance that the Association advised members to accede to the wishes of the Government of Assam and to discontinue khet assessments. It had been feared that such a policy would result in increased demands for foodgrains, which in a year of scarcity would place an undue strain on the resources of Government.

When the early months of the year revealed that Government procurement had been unsuccessful and that the Tea Industry would have to depend on the release of Central Government stocks of rice, the Association urged the State Government to review the position and to restore khet assessment. It was pointed out that during the first few months of the year demand for rice at garden godowns was almost double that in the previous two years for the same period and that there was a potential saving of over 17,000 tonnes a year by the adoption of khet assessment.

In spite of all the arguments put forward, the Association was unable to persuade the Government of Assam of the desirability of reintroducing the khet assessment system.

Coal Supplies.—The coal requirements of member gardens in North Bengal, Cachar and the Assam Valley for the season 1962-63 were as follows.—

(a) North Bengal gardens (Dooars, Terai & Darjeeling) ...			98,010 tonnes
(b) Cachar gardens ...			12,542 ..
(c) Assam Valley gardens ...			92,802 ..

North Bengal Gardens.—Coal for North Bengal gardens was transported by the Indo-Pakistan rail route via Haldibari, by the rail route via Santahar/Gitalda, and by the river-cum-rail route via Dhubri.

The Haldibari route was utilised to despatch the requirements of gardens in the Dooars, Terai and Darjeeling and the

Santahar/Gitalda route to despatch the requirements of gardens in the Central Dooars. Coal for the Eastern Dooars was despatched by the river-cum-rail route via Dhubri.

Owing to the National Emergency, the despatch of coal to gardens in North Bengal deteriorated from the month of November, 1962. During November and December, 1962, it was not possible to obtain freight for coal through the Indo-Pakistan route for gardens situated East of Siliguri as the metre gauge section of the N. F. Railway was utilized fully with emergency traffic. Up to the end of December, 1962 only 17% of the Association's requirements had moved and by January, 1963 certain gardens were very short of coal.

As it was imperative that gardens should hold sufficient stocks of coal at the start of the tea manufacturing season, it became necessary early in the year to arrange alternative means of coal despatch for gardens situated East of Siliguri. In consultation with the Rivers Steam Navigation Co. Ltd. it was agreed to move 10,000 tonnes of coal by the river-cum-rail route via Dhubri to feed gardens in the Eastern Dooars and parts of the Central Dooars.

Apprehending that the pace of rail movement would be insufficient to complete the seasons' requirements of gardens it was decided to allot to the Association a site at Haldibari for the establishment of a coal dump. With the utilisation of these two alternative routes, and with the additional allotment of 15,000 tonnes Ledo coal from Assam in March, 1963, the coal position of Dooars gardens had improved considerably by May, 1963.

The Association experienced no difficulty in despatching coal supplies to gardens in Darjeeling and the Terai.

As in the previous year Messrs. Steel Brothers & Co. Ltd. continued to undertake the inspection of tea garden coal at the transhipment point at Haldibari and to report on the

quality of all coal despatched on the Association's behalf. All reports on consignments containing an unduly high percentage of dust were passed on to the suppliers for examination with the request that particular care be exercised when loading coal for the tea industry. Although the tea industry is allowed the use of Selected "B" Grade coal for manufacturing purposes, Grade I coal has to be accepted in its place when adequate supplies of the former quality are not available.

Prospects for the coming season are good as the bulk of the season's coal requirements for North Bengal are already on the gardens. Despatches against the season 1964 commenced from 1st September, 1963 and up to the end of January 1964 some 58,417 tonnes of coal, representing approximately 70% of the total demand, had been despatched from the collieries.

Cachar Gardens.—Supplies of coal to Cachar gardens were made as in the previous year from Assam Collieries. The season began with adequate stocks of coal on the gardens because some 5,000 tonnes of Bengal Coal had been made available during the previous season. Unfortunately, deliveries from the Assam collieries did not keep pace with manufacturing requirements and by January, 1963 the stock position had declined considerably. Against an allotment of 4788 tonnes of Ledo coal only 852 tonnes had been despatched to gardens by the 31st January, 1963 i.e. after 5 months of the coal year had elapsed. The matter was taken up with the Coal Control Authorities and the position was carefully watched by the Branch and by its Agent, W. J. Molesworth & Co. The main difficulty in supplying coal from the Assam collieries was one of transport. By May, 1963 the position had improved considerably and both the coal depots at Silchar and Badarpurghat were receiving stocks in large quantities.

Owing to the extremely poor quality of intransit coal members refused to accept an allotment of 369.60 tonnes.

This was, however, made up by the additional allotment of 1000 tonnes of Ledo Coal in February, 1963. Against a requirement of 12,542 tonnes the total quantity of coal despatched to Cachar from all sources was 11,368.33 tonnes. No Bengal coal was allotted.

Assam Valley Gardens.—As regards the Assam Valley, allocations from Assam collieries were made as follows —

Ledo	...	31,855 tonnes
Dilli	...	4,079 „
Jeypore	...	4,079 „
Koilajan	...	5,439 „
Nazira	...	4,079 „
Khasi	...	42,539 „
Bimalapore	...	732 „
		<hr/>
		92,802 tonnes

As in the previous year, deliveries were made by rail from the collieries in Assam to the various depots maintained by the Assam Branch which arranged final distribution to gardens. The supply of Khasi coal was made both by rail and by river from Gauhati through the distribution arrangements of Messrs. Steel Brothers & Co. Ltd. Total deliveries in the Assam Valley from the coalfields in Assam during the coal year from 1st September, 1962 to 31st August, 1963 amounted to 84,450 tonnes or 91% of the total indents. No Bengal coal was allotted.

The inadequate supply of Ledo coal continues to present a serious problem to tea garden managers in maintaining the correct temperatures during the process of manufacture. The situation became very serious during the month of December, 1962 when the whole output of Ledo coal was allotted to meet the needs of the Railways and defence. Transportation was also a very difficult problem due to the Chinese aggression and

the need to carry defence equipment. The volume of movement of coal from Shillong to Gauhati also declined due to diversion of transport vehicles for work of national importance. The position improved, however, from the month of February, 1963.

Although the quality of coal supplied to the tea industry should not be below the standard of Selected "B" Grade coal, Assam gardens, by virtue of their being linked with the Assam collieries for supply purposes, still continue to receive coal much below that standard. Dissatisfaction continues at the quality of Khasi coal supplies because, although tea gardens are supposed to receive "run-of-mine" coal, much hand-picking and screening takes place and there is no check on the quality of supplies despatched from the permit holders dump in Shillong. Furthermore, the landed cost of Khasi coal is high and bears little relation to its quality. In September, 1963, the price of this coal was increased from Rs. 47.98 to Rs. 48.22 per tonne.

Iron and Steel.—Owing to the National Emergency and defence requirements and also due to the huge backlog of outstanding orders for Galvanised Plain and Galvanised Corrugated sheets (above 14 G), the Government of India did not release to the Industry any bulk quota for these two categories of sheets for allotment during the year 1963-64. No quota certificates were issued by the Tea Board against the demands for Galvanised Plain and Galvanised Corrugated sheets submitted earlier in the year.

Quota certificates were issued, however, against demands for cold rolled B. P. sheets (16-20 G).

As the supply position of Galvanised Corrugated sheets against the outstanding orders of the last three periods continued to be difficult, the Iron and Steel Controller decided in the middle of the year to permit indentors, if they so wished, to obtain Galvanised Plain sheets against their outstanding orders.

for Galvanised Corrugated sheets booked against valid quota certificates.

Cement.— As in the previous year, cement supplies to the Tea Industry continued to be under the control of the Regional Cement Officer, State Trading Corporation of India Ltd., who allotted permits on the basis of applications submitted through the Tea Board.

There was a slight improvement in the supply position compared with the previous year and gardens were allotted approximately 32.06 per cent. of their requirements for the whole year. The quotas allotted were as follows :

	<i>Demand</i> (Tonnes)	<i>Allotment</i> (Tonnes)
Period I	25,725.681	7,545.341
Period II	20,640.560	7,088.587
Period III	23,733.750	7,008.420
Period IV	22,759.760	8,135.249

Although there was some difficulty early in the year in sending cement supplies under the new procedure of "clubbed" consignments especially to gardens in Cachar and the Assam Valley, the procedure has otherwise worked quite satisfactorily.

The transport position was extremely difficult early in the year due to the National Emergency ; and whatever freight was available was utilised mainly for the despatch of coal supplies and fertilizers.

From January, 1963, until June, 1963, it was not possible to obtain any freight for the movement of cement to gardens in North Bengal which were situated East of Siliguri and when the position became extremely serious, it was decided to send supplies as far as Siliguri by rail and from there by road to the gardens concerned.

Steel Brothers & Co. Ltd. were engaged to handle these supplies and it was satisfying to note that gardens were receiving regular supplies up to the end of the year.

Fertilisers.— The requirements of the tea industry in N.E. India of Sulphate of Ammonia for 1963/64 had been estimated at 1,17,667 tonnes but distribution remained on a "free sale" basis as it was anticipated that supplies would be adequate to meet the entire demand. In the circumstances no difficulties were experienced by tea gardens in obtaining their requirements of fertilisers.

A number of cases were reported during the year of tea gardens which were called upon to pay heavy demurrage charges on their fertilisers because the supplies had reached destination before the railway receipts were received by the consignees. The cases were referred to the Tea Board, who were asked to take up the matter up with the Regional Director of Food with a view to ensuring that the R/Rs were forwarded to consignees as soon as the goods were loaded.

Difficulties continued to be experienced by tea gardens over the recovery of "undercharges" paid to the railways on consignments of fertilisers and full details of such cases were reported to the Tea Board, who propose to take the matter up with the railway authorities and the Ministry of Food.

Supply of Natural Gas from Naharkatiya.— Last year's report recorded that a pilot scheme had been drawn up for the use of gas by tea estates in the Tingri Circle. This scheme was finalised during the year and the tea gardens in the Tingri Circles entered into an agreement among themselves to constitute an Association called the Tingri Gas Grid which would arrange for the bulk purchase of gas from Oil India Ltd. and distribute it to members of the Grid. The Grid, on behalf of its members, signed an agreement with Oil India Ltd. which will be in force for a period of five years, for the supply of gas at Rs. 1.50 per 1000 cu. ft.

Electricity Supplies in Assam.— The Association is represented on the Assam State Electricity Consultative Council by the Shillong Adviser. Three meetings of the Council were held during the year, at which the progress of the major projects for the supply of electricity to Assam were kept under review.

(a) *The Naharkatiya Thermal Project.*—Work on this project has progressed satisfactorily, and by the end of the year the erection of the gas turbines had been taken in hand. It is expected that two turbines will be commissioned by the 15th August 1964.

The transmission system of this project up to Nazira, Tinsukia and Doom Dooma is expected to be completed by the 15th August 1964 ; while the line up to Mariani on one side and to Dibrugarh and Margherita on the other is expected to be completed by December 1964.

(b) *Umiam Hydel Project.*—Work on this project is behind schedule but it is expected that the dam will be ready for storage by May/June 1964. Progress on the construction of the power house is satisfactory and work on the erection of the turbines is about to commence.

In April the Assam State Electricity Board announced that the programme for the supply of electricity to tea gardens in Assam, subject to the scheduled commissionings of the above mentioned projects, would be as follows :—

Sibsagar and Lakhim-

pur Districts Tea Gardens ... By the middle of 1964, from
the Naharkatiya Thermal
Project

Nowgong District Tea
Gardens ... By the end of 1965, from the
Umiam Hydel Project.

3. North Bank Tea Gardens
(Darrang & Kamrup Dis-
tricts) By the end of 1965, from the
Umiam Hydel Project.
4. Cachar District Tea Gar-
dens By the end of 1965 from the
Umiam Hydel Project.

Tea gardens interested in obtaining supplies were asked to apply to the Board for the necessary agreement forms and schedule of charges.

The Association examined in great detail the schedule of charges proposed by the Electricity Board and a number of meetings were held with the Chief Electrical Engineer to decide the rate at which supplies would be made available to tea gardens. It appeared to be the intention of the Electricity Board that tea gardens should be charged for Electricity under Schedule VII—Bulk power supply—under which the maximum charge would be 19 nP. per unit with an estimated average charge of 15 nP. per unit.

The Association, however, considered that tea gardens should be charged under Schedule I : Large Industrial power Supply—under which the maximum charge would be 9 nP. per unit, for factory consumption and for 15/20% of the consumption on fans, lights etc.

After several months of negotiation the Electricity Board have suggested that a flat rate of 14 nP. per unit should be fixed for tea gardens. This rate is not acceptable to the Association as it is considered that tea gardens should obtain supplies at rates which are comparable with the present costs of running their factories and which should be in the region 9 nP. per unit and because it is considered that a special rate would be all too easy to alter. As an alternative it has been proposed that tea gardens should be charged under Schedule I for 8 months in the year and under Schedule VII

for 4 months of the year. A further meeting to discuss these proposals as well as other matters relating to the cost of the feeder lines etc. has been scheduled for the end of January 1964.

The negotiations in respect of the tariff charges have been carried out on behalf of the Association by Mr. M. C. Whear of Octavius Steel & Co. Ltd. and the Association wish to record their appreciation of the work which Mr. Whear has done in this connection.

Licences for the storage of oil.— Last year's report made reference to the confusion which had arisen over the account head into which licence fees for the storage of oil had to be deposited. In March, the Inspector of Explosives, East Circle, Government of India finally clarified the position as follows :—

<i>Head of account</i>	<i>Date upto which in force</i>
(1) "XXXVI-Misc. Deptt. (Central)—Misc. Explosives "	31st March 1962.
(2) "XXI-Misc. Deptt. (Central) —Explosives "	from 1st April 1962 to 7th January 1963,
(3) "L-II-Misc. Misc. (Central)—fees and fines under the Petroleum Rules "	from 8th January 1963.

Import of Tractors : End use certificates.— Tea gardens are required to obtain an end-use certificate from the District Agriculture Authorities if they wish to obtain a refund of the excise duty levied on the sale of tractors.

As the procurement of such certificates is difficult, and often takes several months, the Association has suggested to the Tea Board that the Board should take over the task of issuing end-use certificates—particularly as tractors can now be purchased under the Board's Hire Purchase Scheme. The

Tea Board already issues consumption certificates in respect of nitrate of potash to fertiliser distributors for the cancellation of bonds executed with the customs authorities, and it was felt that there could be no objection to the Board similarly issuing end-use certificates in respect of Tractors.

The Tea Board has asked the Association to collect information showing the period taken at present to obtain certificates in specific cases and to provide details of the actual procedure followed by tea estates in applying for such certificates.

Telephones in Assam.— In 1961 the Director of Posts and Telegraphs, Assam, had with the concurrence, of the Director General informed the Association that if tea gardens in Assam were prepared to purchase iron wire, telephone connections might be given to them subject to the following conditions :—

- (i) Tea estates would have to supply iron wire to the Department free of cost.
- (ii) During the period the wire was in use, a rebate on rental would be given by the Posts & Telegraphs Department to the extent that the rental was dependent upon the cost of the wire at the controlled rate.
- (iii) Tea estates would have to bear the expense of dismantling the wire when wire was made available by the Posts & Telegraphs Department.

A list of tea gardens requiring connections along with their approximate mileage from the nearest telephone exchange was compiled and submitted to the Director, who was asked to indicate how many connections could be made available from each exchange.

By the end of 1962 little progress had been made with this scheme but the Emergency of November 1962 resulted in further consideration being given to this matter.

Interest in the scheme, declined, however in view of the fact that the purchasing of wire would be extremely expensive and also because it appeared that the Posts & Telegraphs Department had started installing telephones on the North Bank.

Later in the year consideration was given to the possibility of importing wire against actual Users Import Licences as it was considered that this might reduce the cost, but enquiries revealed that members were not in favour of importing wire against sterling payments. In the circumstances, it was decided that it should be left to the Posts & Telegraphs Department to provide the connections required as fast as the availability of materials allowed.

Teleprinter/Morse Service.— Following the breakdown of communications with the tea districts which had occurred during the emergency, the Association had endeavoured to establish a teleprinter service between the Association's office in Calcutta and the Branch offices in the tea districts of Assam. Although the Association's proposals in this connection had the support of the State Governments the scheme could not be introduced because the Posts & Telegraphs Department were unable to allot a channel to the Association on the grounds that all the circuits and equipment in the country, especially in the Assam area, were fully utilised to meet defence requirements.

As it appeared likely that a morse channel might be more easily obtainable than a teleprinter channel, the Association also applied to the Wireless Adviser asking for a frequency to be allocated to the Association for the establishment of a morse link with the tea districts in Assam and West Bengal. This request was also turned down on the grounds of a paucity of suitable radio frequencies.

It was stated, however, that telecommunications in the area were being improved by the Posts & Telegraphs Department

and that the Association's requirements would be met as soon as these facilities became available.

Radio Telephone system for the Assam Valley.—With a view to improving communications within the Assam Valley the Association suggested that radio telephones might be installed in selected tea estates in each circle on the lines of the scheme in existence in the Dooars, with the sets being maintained by the police and operated by garden personnel appointed as special constables for the purpose.

When the scheme was discussed with the police authorities, the Association was advised that the police had themselves established a number of W/T stations and that arrangements were in hand for increasing the number of stations. In the circumstances it was suggested that there was no need to proceed with the Association's proposal.

Calcutta Air Scheme.—In order to provide a reliable means of communication between Calcutta and the tea districts in the event of any emergency arising, the Association entered into Agreement with Associated Airworks, under which the Company agreed to maintain a Twin Beech Aircraft based on Calcutta for the use members of the Association.

Although the Scheme was to come into operation from the beginning of July, the Company had been unable to get the Twin Beech Aircraft ready owing to the non-availability of certain essential spare parts. The Company therefore agreed to place at the Association's disposal a Single Beech Aircraft for use under the Scheme.

Assam Air Scheme.— Last year's report recorded that the Assam Air Scheme, which should have come into operation by December, 1962, had been delayed owing to the Emergency. The scheme had originally envisaged that each Zone would have one aircraft based on a suitably selected airstrip within its area, which would be maintained by the Assam

Branch ; but this plan had to be modified because it was found that the cost of maintaining aircraft at both Zones 1 and 2 would be excessive. It was decided therefore that two aircraft should be maintained at Duklingia Tea Estate in Zone 2 and one at Julia Tea Estate in Zone 3.

A Bonanza aircraft was provided for the Branch by Associated Airworks early in March and this aircraft was based on Duklingia Tea Estate. A second aircraft—an Aeronca—was supplied at the end of April but, owing to the difficulty of securing the services of suitable pilots, Associated Airworks were only able to provide one pilot for the two planes, both of which had therefore to be stationed at Duklingia. A second pilot became available in June and the Aeronca was then transferred to Julia Tea Estate. The scheme was operated until the end of the year with these two aircraft ; and although a number of difficulties were experienced, it was clear that the scheme was of value.

Tea Carriage Agreement.— The Joint Steamer Companies gave notice on the 28th February 1963, that in accordance with the recommendations of the Government of India, Freight Rates Enquiry Committee they proposed to increase their basic rates of freight on all traffic except foodgrains by 40 nP. per quintal with effect from the 1st March 1963. The introduction of the increase was subsequently postponed until the 1st April 1963.

While this increase would no doubt increase tea garden costs, the Association considered that the Steamer Companies' difficulties made the acceptance of the revised rates inevitable and members were advised accordingly.

Later in the year owing to an anticipated threat of strike by the Pakistani crews of the Steamer Companies, some diversion of teas to other routes and services appeared to have occurred and it was necessary for the Steamer Companies to

remind Agency Houses of their obligations under the Tea Carriage Agreement to send 95% of their teas to Calcutta by the Companies' services.

Transport.—(i) Steamer.—The hold up of manufactured tea which had occurred as a result of the steamer strike and the Chinese aggression had resulted in considerable congestion at the end of 1962, but improvement proved to be fairly rapid. The Steamer Company ran 37 Tea Specials to cope with the movement of early season's teas and the trip to Calcutta took an average time of 9 days. Movement by road from Upper Assam for loading at Sadilapur Ghat, below Gauhati, was continued until the collapse of the Dhunseri Bridge on the Trunk Road necessitated the diversion of tea traffic via Neamati. A total of 225,000 chests was carried by the Steamer Company representing a fall of 2% as compared with the previous year.

(ii) Railways.—The Railway's capacity to handle traffic increased considerably. Two important projects, the Brahmaputra Bridge and the line from Rangapara to North Lakhimpur, added greatly to the efficiency of the railway system. The Brahmaputra Bridge in addition provided a road link between the North and South Banks and improved access to the Tea Districts. The Bridge was formally opened by the Prime Minister on the 7th June 1963, though it had been in use from the end of 1962.

(iii) Road.—On the 28th July 1963 three spans of the bridge over the Dhunseri River at Numaligarh were washed away owing to the undermining of the piers, with the result that the South Bank Assam Trunk Road was cut approximately 30 miles to the West of Jorhat. As this breach would gravely affect the despatch of teas and foodgrains the Association sent a telegram to the Government of India suggesting the construction of a pontoon bridge at Numaligarh or a Bailey bridge over the Kahiani River. In the meantime tea despatches were maintained by the introduction of ferries

at the bridge site ; but owing to the deterioration of the approach roads lorries were subjected to considerable delay.

Fortunately the temporary bridge over the Kaliani River, which has been under construction for some time, was completed by the P. W. D. on the 20th August 1963 and it was then possible for teas to move freely to Sadilapur by this route.

The construction of a temporary timber bridge at Numaligarh was taken in hand at the beginning of September and the bridge was opened to traffic at the end of October.

Early in September reports were received that the P.W.D. had stopped vehicles of 3 tonnes and over using the Golaghat Bridge over the Dhunseri River as it had become weak. Fortunately the restriction was of short duration and heavy vehicles were allowed over the bridge after an interval of about a fortnight.

The Numaligarh-Golaghat Link Road was subjected to very heavy traffic following the diversion of lorries etc. to this route and towards the end of the year reports were received that the surface of the road was breaking up in many places and that the general condition of the road was deteriorating very rapidly. The matter was brought to the attention of the Government of India, Ministry of Transport during a visit to Delhi by the Chairman and Senior Adviser in January 1964, and assurances were received that the Assam Government had been appraised of the situation and would be urged to undertake the repairs required with the minimum of delay.

Transport Requirements of the Eastern Region.— The Association received through the Tea Board, a copy of a questionnaire issued by the Inter State Transport Commission, set up by the Government of India, to carry out a study of the Transport requirements of the Eastern Region. The reply sent to this questionnaire is reproduced in the appendices to this report.

Steamer Services to the U.K.—(a) Availability of Space.—

The Liaison Sub-Committee, which was set up by the Calcutta Liners Conference last year to keep the freight position for the shipment of tea to the U. K. under review, continued to hold regular meetings during the year and to examine the various difficulties relating to shipping space reported by members. The Association was represented on this Committee by Mr. M. R. Smith and Mr. J. L. Corcoran. When Mr. Smith was on leave Mr. H.K. Rao and later Mr. V.K. Chaudhri attended the meetings of the Committee.

(b) Rates of Freight.—Towards the end of May representatives of the Association were invited by the Director of the Freight Investigation Bureau, Directorate General of Shipping, to attend a meeting with representatives of the U.K./ Continental Conferences to discuss a proposal put forward by the Conferences that there should be a general increase of 15 percent in freight rates on westbound cargo effective from the 1st August 1963.

As the increases suggested were likely to cost the tea industry an additional Rs. 37.8 lakhs in freight, the Association representatives strongly opposed the proposal. It was pointed out that the Industry could not pass on to the buyer any increase in the freight rates as tea was sold in auction and buyers would not increase their bids to cover increases in freight rates. Indian tea was in direct competition with teas shipped from Ceylon, Indonesia, East Africa and China and the competitive position of Indian teas would be affected if the freight rates from India were increased without corresponding increases from elsewhere.

Tea as a beverage was in competition with other beverages and it was essential that costs should be kept as low as possible. Indian teas were with the greatest difficulty maintaining their position in world markets. As the U.K. was India's largest customer for tea, freight rates to that country were of great

importance to tea shippers. The Central and State Governments had increased their imposts on the industry, which could not therefore afford the additional expenditure which increased freight rates would involve.

On the 1st August, 1963 the Conferences announced that it had been decided to increase the freight rates on west bound cargo by $12\frac{1}{2}$ per cent instead of 15 per cent with effect from that date. This decision was noted with regret particularly because it was understood that the Maritime Freights Commission had recommended that the increase should not exceed $7\frac{1}{2}$ per cent. The matter was accordingly taken up with the Freight Investigation Bureau who were requested to endeavour to persuade the Lines to limit the increase on tea to $7\frac{1}{2}$ per cent.

In due course the Association learnt that with effect from the 24th October 1963, the Conferences had agreed to reduce their increase in charges from $12\frac{1}{2}$ per cent to 10 per cent.

Eastern India Shippers Organisation.— Towards the end of 1962 the Controller (Export Promotion), Government of India convened a conference of representatives of Exporter Associations and others concerned to consider a proposal to set up a Shippers' Organisation for the Eastern Zone; and Mr. M. C. Taraporvala was appointed to attend the conference on the Association's behalf.

The proposal to set up a shippers' organisation was accepted by the delegates present and at a subsequent meeting a sub-committee was formed, with Mr. Taraporvala as Convenor, to go into the details of the constitution etc. of the new organisation the objects of which were to be :—

- (a) to bring together shippers in various parts of Eastern India on a common platform for discussion of various problems affecting shippers with particular reference to exports.

- (b) to secure organised action on all points of difficulty experienced by shippers in effecting exports inter alia bearing on shipping freights, availability of shipping space, regularity of shipping services etc. and for this purpose in particular :
 - (i) to make representations to and arrange for discussions and/or negotiations with Shipping Conferences and/or Shipping Lines concerned,
 - (ii) to make representations to the Government of India, State Governments and port authorities concerned,
 - (iii) to collate information and statistical data on a continuous basis for promoting the interests of the Association and
 - (iv) to take all steps as may be necessary for safeguarding the interests of the shippers in their relation with Shipping Lines.

The constitution and rules of the organisation have been drawn up by the Sub-Committee and now await reference to and approval of the interests concerned.

Regional Advisory Committee on Land Customs matters.—The Association was represented on the Regional Advisory Committee on Land Customs matters through the Associated Chambers of Commerce of India by Mr. M. C. Taraporvala of Macneill & Barry Ltd.

Excise Duty on Tea.—(1) *Rates of Excise Duty.*—Under Section 27(1)(b) of the Finance Bill 1963, the Government of India imposed a special duty of excise on "tea not otherwise specified" amounting to 20 per cent of the basic excise duty.

With effect from the 1st March, 1963, the rates of duty were as follows :—

	<i>Excise Duty per Kilogram</i>	<i>Special Excise Duty per Kilogram</i>	<i>Total per Kilogram</i>
Zone I	15 nP.	3 nP.	18 nP.
Zone II	25 nP.	5 nP.	30 nP.
Zone III	30 nP.	6 nP.	36 nP.
Zone IV	35 nP.	7 nP.	42 nP.
Zone V	45 nP.	9 nP.	54 nP.

In announcing this additional levy, the Government of India also announced the abolition of the export duty on tea and the cancellation of the rebate of excise duty which had hitherto been allowed on exported teas.

No change was made in the rate of excise duty on "package tea" but the rebate of excise duty on "package tea" exports was reduced from 55 nP. to 40 nP. per kg.

By a notification dated the 18th November 1963, the Government of India reduced the rate of excise duty on green tea produced in Excise Zone 1 from 15 nP. to 10 nP. per kilogram.

(2) *Payment of Excise Duty in arrears.*—As excise duty has to be paid on tea at the time of clearance from the factory and as the sale of tea often takes place three or even more months after it has been manufactured, tea companies generally experience some difficulty in finding sufficient finance for the payment of duty. These difficulties were increased as a result of the imposition of the special duty of excise and the Association suggested that Government of India should permit the release of tea from estates on the presentation of a post-dated cheque in payment of the excise duty due on the teas. In North East India, where teas were manufactured mainly between the months of May and December, it was suggested that at the beginning of the season the cheques (or promissory notes) might

be post-dated to the extent of three months. Thereafter, the permission to pay duty by post-dated cheque would be steadily curtailed until at the end of the season cheques would be dated the day on which the teas were released from the estate. The time-table proposed was as follows :—

April/May/June	3 months' grace
July/August/September	2 " "
October/November/December	no grace

As Government had the power to prevent the removal of teas from the factory, it was considered that there was complete control over any producer who failed to fulfil his obligations or whose cheques were dishonoured. The introduction of the proposed system would not endanger Government revenues and would afford a measure of relief to producers of tea.

The Government of India regretted its inability to accede to the request.

(3) *Deposit of Excise Duty under Challan in Form T.R. 6—*
The Darjeeling Branch reported that Excise Officers were insisting that tea gardens should surrender the original copies of the treasury challans under which excise duties had been deposited by Agency Houses on behalf of the gardens.

This demand appeared to be unwarranted because the excise regulations only required the production of a certified copy of the treasury challan, while tea gardens were in fact producing for inspection the original challans which were then retained at the garden.

There seemed to be no reason why original challans should be surrendered to the excise authorities, which had at their disposal the means to verify the correctness or otherwise of any deposit from the copy of the receipted challan which was normally sent by the Reserve Bank direct to the Chief Accounts Officer. The Collector of Central Excise, West Bengal, was

asked therefore to look into the matter and to issue instructions to the factory officers not to demand the surrender of the original challans.

The Collector issued instructions in due course clarifying the procedure for the deposit of excise duty by challan in form T.R. 6 and providing for the challan forms to be completed in quadruplicate, one copy of which would then be available for submission to the Excise Officer.

(4) *Payment of Excise Duty by Cheque.*—As envisaged in last year's report, a system for the payment of excise duty by cheque was introduced by the excise authorities with effect from the 1st April, 1963 ; details were issued to members in Circular No. 44 of the 23rd March 1963.

Under this system a manufacturer of tea, whose estimated annual payment of excise duty exceeds Rs. 25,000, is allowed to pay duty by cheque provided that he furnishes a bank guarantee or deposits sufficient security in the shape of National Savings Certificates etc. to cover the duty normally paid by him during a period of not less than seven days.

When the proposed system was first suggested, the Association was given to understand that no security deposits would be called for from tea estates.

(5) *Complimentary teas.*—In last year's report it was recorded that the Superintendent of Central Excise, Jalpaiguri, had ruled that "package tea" excise duty was payable by tea gardens which issued complimentary tea in containers other than newspaper or grocery bags and that the matter had been referred to the Collector of Central Excise.

When the Collector confirmed the ruling given by the Superintendent, the Association advised members that when complimentary tea was distributed to the labour and to staff etc, the distribution should be made from the chest/bag direct

into a container brought by the recipient to avoid the incidence of "package tea" excise duty.

(6) *Percentage of recovery of tea.*—In September the Superintendent of Central Excise, Alipur Duars, issued a "Show Cause" notice to the manager of a tea estate in the Dooars because, according to the garden records, the percentage of recovery during a certain period was less than the recovery percentage of another garden during the same period.

As there is no fixed or minimum percentage of recovery from green leaf, the Association contended that the Superintendent was completely unjustified in assuming that because there was a difference in the percentage of recovery between two gardens, the garden with the lower percentage must have removed some tea from the factory without payment of duty.

The matter was accordingly referred to the Collector to whom it was pointed out that the percentage of recovery was dependent on many factors, such as the amount of moisture in the green leaf, the method of manufacture etc., and that in the circumstances, to accuse an estate of theft because its percentage did not equal that of another estate was completely unwarranted. The Collector's attention was also drawn to an extract from an article in "Two & A Bud" by Mr. R. Choudhury, which read as follows :—

"A freshly plucked shoot contains on an average about 77% moisture. During wet months the moisture content may go up to 83% and during the dry season it may go down to 72%. The ratio of made tea to green leaf therefore, varies at different times of the year. If we take 77% as the average moisture content for the whole year then the corresponding average dry weight of the leaf will be 23%. If all the solid matter in the leaf was converted into tea there should be 23 kg of made tea from every 100 kg of fresh leaf. During withering some solid matter is lost as carbondioxide. There are also

some mechanical losses during manufacture, but these losses are almost balanced by the moisture content of the made tea which varies between 2.5 and 4%. Therefore, an average figure over the season is about $22\frac{1}{2}$ kg of made tea from every 100 kg of green leaf. With leaf of maximum moisture content (83%) the amount of made tea will be $16\frac{1}{2}$ kg of tea from 100 kg of leaf. With leaf of minimum moisture content (72%) the amount of made tea will be $27\frac{1}{2}$ kg of tea from 100 kg of leaf."

The hearing in connection with the "Show Cause" notice took place on the 23rd December 1963 and the above mentioned article and other evidence were produced on behalf of the estate. The final orders of the Excise Department are now awaited.

(7) *Clearance of tea : Gate passes.*—In a trade notice dated the 27th November 1963, the Collector of Central Excise, West Bengal, announced that, with a view to facilitating the speedy despatch of tea from factories, tea gardens would be allowed, when the factory excise officer was unable to be present at the time of actual removal of the teas, to despatch their teas against gate passes which did not bear the countersignature of the officer. For this purpose the factory officer would affix his initial or official stamp on the factory's blank gate pass forms and these forms could be used when teas were cleared in the absence of the factory officer. The duplicate and triplicate copies of these gate passes would be signed by the factory officer during his next visit to the factory, and the estate would be required to keep a record of all the gate passes issued by it on the reverse of its copy of the relative ARI/Invoice form.

(8) *Transport of tea by Air.*—Certain gardens in the Dooars send their teas down to Calcutta by air through Jamafr Co. Private Ltd. In these cases the teas are moved by the garden to the airfield concerned and are handed over to the air company staff along with the relevant gate passes. The air com-

pany generally lifts the entire invoice at one time and in such cases the gate pass is sent along with the tea chests to Calcutta. It sometimes happens, however, that the aircraft does not have sufficient space to take the entire invoice and then the aircraft takes as many chests as it can; and the balance is lifted when the aircraft calls again at that station.

The number of chests removed is noted on the reverse of the gate pass, which is sent to Calcutta along with the last instalment of the consignment. No difficulties were previously experienced over this arrangement, but in July the Dooars Branch advised the Association that certain teas had been seized by the Deputy Collector of Central Excise, Jalpaiguri, at Telepara airfield on the grounds that the chests, which represented part of an invoice, were not covered by a gate pass.

The matter was referred to the Collector of Central Excise, West Bengal, who advised the Association that under the excise rules it was necessary for consignments which were split into two or more lots and despatched separately to be covered by separate gate passes made out in respect of each lot. In view of the difficulties explained by the Association the Collector indicated that in cases where it was not possible for each lot to be covered by a separate gate pass the following procedure might be adopted :—

- (i) where teas, which had been cleared from the factories under proper gate passes, were stored in the godown of an air company prior to despatch to Calcutta, the air-company would be required to maintain a simple account of such teas in a prescribed form ;
- (ii) when part of the teas covered by a gate pass issued for the entire consignment, was air-lifted to its destination, the gate pass would have to accompany the part consignment after an entry had been made on its reverse showing the number of chests lifted and the balance lying at the godown. The entry would

have to be initialled by the air company and countersigned by the excise officer at Dum Dum. A similar procedure would have to be followed until the entire consignment was delivered at destination. The register and air booking notes etc. of the air company would have to be open for inspection by the excise officers.

Jamair Co. Private Ltd., indicated its willingness to adopt the procedure suggested but it is understood that the other air-carriers represented by the Air Charterers Association have not yet responded to the Collector's letter requesting their agreement to the procedure. In the circumstances the Association asked the Collector to introduce the procedure in respect of teas carried by Jamair Co. Private Ltd.

(9) *Power to Sign Documents.*—In last year's report it was recorded that in order to reduce the volume of work, in which tea estate managers were involved, the excise authorities had agreed that Gate Passes could be signed by a responsible officer duly authorised in this behalf by the manager.

Unfortunately, full advantage could not be taken of this concession by tea estates in West Bengal because Factory Officers insisted that the authorised nominees of managers could only be persons who had a power of attorney.

The matter was taken up with the Collector of Central Excise, West Bengal, whose orders are still awaited.

(10) *Central Excise Re-organisation Committee.*—The report of the Central Excise Reorganisation Committee became available in September, 1963. It was a lengthy document dealing in great detail with all aspects of excise duty.

The recommendations made in respect of tea were as follows :—

- (i) bonded warehouses might be established at Calcutta

and Cochin so that excise duty could be recovered after the teas were auctioned ;

- (ii) the proposal for the payment of excise duty by post-dated cheque could not be supported ;
- (iii) the excise duty on package tea encouraged the consumption of loose tea, which was often stored and handled under unhygienic conditions. As tea in packets was mainly consumed in rural areas it was the rural consumer who bore the brunt of this duty ;
- (iv) instead of the package duty, a common rate of duty should be levied, in addition to the Zonal duty, on all tea going into internal consumption. This would increase revenue and put the rural consumer on a par with his urban counterpart ;
- (v) the zonal rates of duty should be fixed not only on the basis of the average selling price but also on the basis of cost of production ;
- (vi) there is scope for reducing physical checks and excise accounts to eliminate those that are of little value or involve duplication ;
- (vii) the powers of excise officers to supervise the destruction of tea waste should be liberalised.
- (viii) as tea waste is exempted from duty there is no need for a bond in respect of this commodity.

(11) *Accommodation for Excise Officers.*—In the Association's report for 1961, it was recorded that the excise authorities appeared to have made a change in the basis for the payment of rent for accommodation provided by tea estates and that instead of paying 10 per cent of the officer's emoluments plus Rs. 20 as had been agreed in 1949, tea estates were being offered 7½ per cent of the officers' emoluments plus Rs. 20.

On the Association querying this arrangement, the Collector of Central Excise, West Bengal, stated that the basic percentage was being reduced only in the case of officers drawing less than Rs. 150 per month, and that the new rates were applicable throughout India.

It was pointed out to the Collector that when the rental for accommodation for excise officers on tea gardens was fixed in 1948, Government had accepted the position that rent at 10 per cent of the officer's salary would be inadequate having regard to the cost of constructing the accommodation to the specifications laid down for such quarters. Government had agreed therefore that an additional Rs. 20/- would be paid.

It was suggested therefore that if Government had decided that officers earning salaries of less than Rs. 150 p.m. should contribute towards the rent of the quarters provided for them at $7\frac{1}{2}$ per cent of their salaries, it would be equitable that the Government subsidy should be increased suitably so that the estates continued to receive the rent fixed in 1949.

The Excise Department's reactions to this proposal are awaited.

(12) *Bonded Warehouses*.—Last year the Association had examined in great detail the possibility of establishing bonded warehouses for tea and came to the conclusion that the system was unsuitable for the industry.

When the report of the Excise Reorganisation Committee became available, it was noted that the Committee had turned down the Association's suggestion for the payment of excise duty by post-dated cheque and had recommended the establishment of bonded warehouses. It was decided therefore that details of the Pakistan bonded warehouse scheme should be obtained and that the whole matter should be re-examined in the

light of the information available and the increased rates of duty at present prevailing.

The Warehousing and Shipping Sub-Committee studied the proposal *de novo* and their recommendation was once again the same viz. the bonded warehouse system was likely to involve the industry in increased expenditure and was therefore undesirable.

Drawback of Excise Duty on plywood tea chests used as containers of exported teas.— Last year's report recorded that the Government of India had decided to allow a drawback of excise duty on the plywood and fittings of tea chests used as containers for tea exported from India and that the Association had suggested certain rates which took into account the quantities of plywood, aluminium foils and other fittings used in each standard size of chest.

The Association's suggestions were accepted and in a notification dated the 22nd June 1963, rebates of excise duty on complete tea chests effective from the 15th June 1962 were notified as follows :—

Size of chest	Rebate
19" × 19" × 24"	Rs. 56 per 100 chests
19" × 19" × 22"	Rs. 53 per 100 chests
18" × 18" × 20"	Rs. 46 per 100 chests
16" × 16" × 18"	Rs. 37 per 100 chests
16" × 16" × 20"	Rs. 40 per 100 chests
17" × 17" × 17"	Rs. 38 per 100 chests

The Customs authorities were made responsible for allowing the rebate to shippers and it was announced that claims in respect of shipments during the period 15th June 1962 to 15th August 1963 would have to be filed within 100 days from the 12th August 1963. Claims in respect of shipments after the 15th August would have to be filed within three months of the

shipment of the goods. Subsequently at the Association's suggestion the period of 100 days in respect of the first category of claims was increased to 160 days to enable shippers to collect all the documentary evidence necessary to support their claims.

It was pointed out to the Association that in some cases, particularly in the case of shipments to the Middle East, shippers used tea chests which did not conform to the sizes specified in the Government notification. It was not possible therefore for them to claim the rebate of duty. A further difficulty experienced was the demand of the Customs authorities for a declaration on the claim bill that the "chests are new and unused". The Association therefore took the matter up with the Government of India suggesting that provision should be made for the grant of rebates in respect of chests of unspecified sizes and that the present restriction of the drawback to new and unused tea chests should be withdrawn. In due course Government issued a notification making provision for the grant of draw-back in respect of chests which were not of the specified sizes at the rate of Rs. 30 per 100 sq. metres of plywood plus Rs. 4.53 per 100 tea chests. Government also advised that further consideration was being given to the suggestion that drawback should be allowed in respect of all tea chests, whether new or secondhand, when used as containers of tea exported.

Warehousing Conditions.— (a) *General.*—Warehousing conditions for the storage of tea were satisfactory during 1963, the tea trade and industry being allotted accommodation for 6.03 lakh chests in the Port area as follows :—

<i>Accommodation for</i>	
Sale Tea Warehouse	2.40 lakh chests
Hide Road Warehouse	1.44 lakh chests
3 King George's Dock (1st floor)	0.60 lakh chests
Kantapukur Sheds	1.59 lakh chests
	<hr/>
	6.03 lakh chests

The area for transit teas was the same as last year *i.e.* Tea Transit Sheds and Union South Jute Mills for river teas and Hide Road Warehouse (Ground Floor) for rail teas. Early in October the Steamer Companies reported that there was some danger of the transit areas becoming congested if the rate of clearance was not improved and the Association asked members to co-operate with the Steamer Companies and to arrange for the speedy clearance of their teas.

The Association was represented on the Joint Tea Warehouse Advisory and Tea Liaison Committee by Mr. S. C. Bahadurji of Macneill and Barry Ltd.

(b) *Libyan Depot.*—Members of the Tea Warehousing and Shipping Sub-Committee of the Association paid a visit to the Libyan Depot on the 3rd May 1963 to ascertain the progress being made towards completing this warehouse and to determine whether any useful suggestions could be submitted to the Tea Board in connection with its working.

It appeared that the building itself would be completed in October/November 1963 and that the various lifts and hoists would be in position early in 1964. It was not certain, however, when the conveyor belt, which was to be used to carry teas unloaded at King George's Docks to the warehouse, would be installed ; and it was anticipated that without the conveyor belt there would be considerable difficulty in using the warehouse. As no information was available regarding the date on which the warehouse would come into operation or regarding the authority which would be in charge of running the warehouse, it was decided that the Consultative Committee should endeavour to ascertain the position from the Tea Board. The reply received was that no date could be given for the opening of the Libyan Depot and that the question of the authority to be appointed to run the warehouse was still under consideration.

Other problems which were causing anxiety were referred to the Chairman of the Tea Board who advised the Association as follows :—

- (a) The increase in warehousing charges which might result from the higher rental to be paid for the Libyan Warehouse was likely to be negligible.
- (b) When the Libyan Warehouse came into operation the Tea Board would also take over the Sale Tea Warehouse and Hide Road Warehouse so that adequate space would be available during the peak period. Surplus space which might result from such an arrangement would be leased out on a short term basis.
- (c) Final decisions regarding the management of the warehouse and the staff arrangements, would be taken in due course and the need for efficient management would be a paramount consideration.

The Association had expressed concern regarding the possibility of a change of management of the public warehousing system and suggested that the very satisfactory arrangements which had been built up over the past years should not be disturbed arbitrarily, lest it affected the efficiency of the system. If a change were considered desirable, it was recommended that advantage should be taken of the availability of trained and experienced employees of the present public warehousemen.

- (d) There was no intention at present of disturbing the present private warehouses.

Advance payment of income tax : Relaxation of provisions of Section 210 of the Indian Income Tax Act, 1961.—In 1952 the Central Board of Revenue had, in view of the economic difficulties of the industry, relaxed the provisions of Section 18A of

the Income Tax Act to allow tea companies to defer the payment of advance tax for that year till the 15th March, 1953.

In June 1963 the Association made a representation to the Central Board of Revenue suggesting that tea companies might be allowed to defer payment of advance tax until the month of March which immediately followed the close of the financial year. It was pointed out that tea companies in North East India only commenced manufacture in March/April and that sale proceeds were therefore received fairly late in the year. It was therefore difficult for the tea companies not only to make a reasonably correct estimate of their profits in the months of June, September and December, when the advance payments of tax had to be made, but also to find the funds for the payment of the taxes at a time when they were working at the full extent of their credit capacity. When the Central Board of Revenue regretted its inability to accede to the Association's request, it was suggested as an alternative that tea companies might be allowed to pay advance tax in four instalments as follows :—

For the first quarter	nil	payable in June
.. .. second ..	25%	payable in September
.. .. third ..	25%	payable in December
.. .. fourth ..	50%	payable in March

This proposal was also turned down by the Central Board of Revenue.

Indian Income Tax Rules : Replacement of Tea Bushes.—In last year's report it was recorded that the Central Board of Revenue had once again rejected the Association's suggestion that the Income Tax Rules should be amended so as to permit expenditure incurred on replacements planted on virgin soil being treated as revenue expenditure in the same way as expenditure on infilling and replanting on land previously planted with tea. on the grounds that Government's "concept of capital and revenue expenditure based on legal decisions made it difficult

to deviate from the existing position without wide repercussions”.

The Consultative Committee of Tea Producer Associations decided, however, to seek the assistance of the Chairman of the Tea Board on this matter and a representation was accordingly submitted to him in February 1963. It was pointed out that the present interpretation of the Income Tax Rules in this connection imposed hardship on many tea companies, involving as it did a distinction—for which there were no grounds—between replacement of tea and useless bushes by “infilling” in areas already planted, and the replacement of entire blocks of bushes by fresh planting on virgin soil. Both forms of replacement were intended purely to keep the estate in good condition and to maintain both its existing tea area and productive capacity, because it was only by replacing unproductive bushes with fresh stock that estates could hope to reduce their costs of production. The decision to replace bushes on virgin ground rather than on previously planted areas depended on many reasons *e.g.* because the soil in an existing planted area had become exhausted or because the area had become unsatisfactory on account of flood, drought or blight—but this did not change the fact that the object was the same, namely, the rehabilitation or replacement of existing assets.

In Ceylon all capital expenditure incurred in replanting tea or planting the new areas, whether on virgin soil or not, was allowed as a deduction from profits for income tax purposes, provided that an equivalent area of old tea was uprooted within four years of the start of replanting. Similar concessions were available in Malaya and Africa and there appeared to be no reason why India should remain in a position of disadvantage in this matter as compared with two of her principal competitors.

This matter was also raised with various Government officials in the Ministries of Commerce and Finance when representatives of the Association visited New Delhi, but up to

end of the year the matter still remained under consideration. As an alternative to this proposal the Consultative Committee have since suggested that :

- (a) depreciation should be allowed if not on all tea areas, at least on all replacements or extensions to the full extent of 100% either in the first year, or at least over the five to six year period during which young tea matures to its full yield, or
- (b) a 40% development rebate should be granted in respect of expenditure on replanting.

Government's reactions to these proposals are awaited.

Assam Agricultural Income Tax.—The rates of Assam Agricultural Income Tax for the year commencing 1st April 1963 were revised by the Assam Finance (Amendment) Act 1963 as follows :—

- (a) Where the total income of the company does not exceed Rs. 1 lakh, on the whole of the total income—45 naye paise in the rupee ;
- (b) Where the total income of the company exceeds 1 lakh but does not exceed Rs. 2 lakhs, on the whole of the income—55 naye paise in the rupee ;
- (c) Where the total income of the company exceeds Rs. 2 lakhs, on the whole of the total income—57 naye paise in the rupee.

The previous rates were 41 naye paise on incomes below Rs. 1 lakh and 50 naye paise on incomes above Rs. 1 lakh.

When the proposed increases were announced, the Consultative Committee of Tea Producer Associations submitted a memorandum, a copy of which is reproduced in the appendices to the report, to the Finance Department of the Government of Assam expressing the apprehensions of the industry over the proposals to further increase the rates of

Assam Agricultural Income Tax. It was pointed out that the changes in the rates of tax made in 1962 had cost the industry some Rs. 66 lakhs and that the new rates would cost an additional Rs. 50 lakhs. These increases when taken together with the increases in central income tax, on super profits tax and excise duty were likely to have a far reaching and adverse repercussion on the industry.

Objection was also taken against the introduction of a slab system which would penalise the larger companies, which were in fact the major producers of quality teas for export. It was argued that the increased taxes would reduce the competitive position of the teas produced by these companies and would also reduce the funds available to tea companies for rehabilitation and expansion and thereby endanger the realisation of the Five-Year Plan target.

A copy of the Consultative Committee's memorandum was sent to the Finance Minister of the Government of Assam, who in due course advised the Consultative Committee that he was unable to accept the arguments that the increased rates of tax would affect the competitive position of export teas or hinder companies in their rehabilitation and expansion programmes. He indicated that he was willing to examine marginal cases to mitigate any hardship and to receive a delegation if so desired.

The Consultative Committee submitted a detailed reply to the Minister's letter ; and a delegation consisting of the Chairman, Shri P.K. Kanoria, and the Shillong Adviser met the Chief Minister, the Finance Minister and the Industries Minister on the 21st June 1963, when the industry's case was explained in great detail. The Finance Minister regretted his inability to make any general concessions in view of the State's need for additional finance, but promised to consider the question of giving help to companies whose income was less than Rs. 1 lakh and to look into certain anomalies in the application of the slab system which had been drawn to his attention.

In due course the Assam Government published the Assam Finance (Amendment) Ordinance 1963 which removed the anomaly in the tax structure which left less residual income to some companies in the higher slab than to others in the slab below. No other relief was granted ; but it was decided that the matter should not be pressed any further for the present.

Assessment of Tea Companies : Notional Agricultural Income.—

In the Association's report for 1961 it was recorded that the Supreme Court had supported the contention of the West Bengal Agricultural Income Tax authorities that agricultural products, like bamboo, thatch, etc. grown on tea estates do not form part of the growth and manufacture of tea but are separate agricultural products, though they are utilised for the purposes of growth and manufacture of tea. The Supreme Court had also supported the view that since these products have a market, the market value, and not the cost of cultivation, should have gone as expenditure against tea income before applying the percentage of income as laid down in Rule 8 of the Income Tax Rules 1962, and that the difference between this market value and the cost of cultivation was purely agricultural income fully chargeable to agricultural income tax.

The Central Income Tax authorities however refused to modify their assessments to take into account the Supreme Court ruling and insisted on computing income for income tax purposes after allowing as expenditure only the cost of cultivating bamboo and thatch etc. and not its market value with the result that in the case of practically all tea companies 40% of such notional income determined by the State Agricultural income tax authorities became subject to both Central and State tax assessments.

The Association therefore addressed the Direct Taxes Advisory Committee suggesting that the Committee should give consideration to the problem of double taxation arising out of the divergent views held by the Central and State tax authorities. It was pointed out that as bamboo, thatch, etc. grown

by tea companies were not grown as raw material for growth and manufacture of tea but only enter as an item of revenue expenditure in the computation of income from teas before the final percentage is applied for Central and State assessment purposes, the problem was really whether these other agricultural products utilised for such purposes as repairs and replacement of kutchha houses, shade for nurseries and other maintenance repairs should enter the expenses at cost of cultivation or at their market value. As they were distinctly different products grown by these companies it was considered that there should be no difficulty for the Central Authorities to compute income for income tax purposes in the light of the Supreme Court ruling until a better workable formula could be agreed upon by the Centre and the State.

The Central Board of Revenue in due course advised the Association that they could not agree to central income tax assessments being revised in the manner proposed and suggested that the Association should request the State Government to compute, notwithstanding the Supreme Court Judgement, agricultural income only at 60% of the gross income computed for the purpose of the central income tax act. The matter was not considered a fit subject for examination by the Direct Taxes Advisory Committee.

Later the Association was advised by a member that after the completion of the agricultural income tax assessments of some of their companies on the basis of the Supreme Court Judgement, appeals had been lodged against the previous completed central income tax assessments and that the Appellate Assistant Commissioner had allowed the appeals.

The Income Tax Department had appealed against the Assistant Commissioner's order. The Companies concerned were arranging to defend the case and it was expected that in due course the matter would reach the Supreme Court. The Association agreed to treat the case as a "Test Case", the

costs of which would be shared between companies with interests in West Bengal.

Agricultural income tax : Exemption in respect of contributions to the National Defence Fund.— In last year's report it was recorded that tea companies had made substantial contributions to the National Defence Fund.

The Government of India had announced that these contributions would be exempted from income tax ; but in the case of tea companies, as only 40% of income is subject to Central tax, exemption could only be claimed in respect of 40 % of the contributions.

The Association therefore addressed representations to the Assam and West Bengal Governments asking that the State Agricultural Income Tax Acts or Rules be suitably amended to allow tea companies to claim exemption from Agricultural Income Tax in respect of the remaining 60% of the donation.

The Assam Government replied in due course pointing out that the calculation of agricultural income for the purpose of assessment of agricultural income tax in the case of cultivation and manufacture of tea was based on the computation made by the Income tax authorities for the purpose of assessing income tax. As the Central Board of Revenue had decided that contributions to the National Defence Fund would qualify for income tax exemption, these contributions would also be exempt from Assam Agricultural Income tax. A similar provision also existed in Section 7 of the Assam Agricultural Income tax Act 1939 read with Rule 2 of the Rules made under the Act.

The West Bengal Government, however, advised the Association that they were not prepared to allow any exemption from agricultural income tax on the grounds that the State Government had themselves made substantial contributions to the National Defence Fund. Further represen-

tations were made to the State Government, who persisted in their attitude, and suggested that the Association should seek relief from the Central Government as the contributions had been made in the hope of income tax relief under sections 88 and 100 of the Income Tax Act, 1961.

A representation was accordingly addressed to the Central Board of Revenue by the Consultative Committee of Tea Producer Associations suggesting that tea companies in West Bengal might be allowed to offset the full amount of their contributions to the National Defence Fund against the 40% of their income which was subject to central income tax.

Unfortunately, however, the Central Board of Revenue regretted its inability to accede to the Consultative Committee's request.

Taxation of Tea Companies having estates in Pakistan : Settlement of relief under Section 91(3) of the Indian Income Tax Act, 1961. During the year the Association addressed a representation to the Central Board of Revenue suggesting that the anomaly existing in connection with the settlement of relief under Section 91(3) of the Indian Income Tax Act 1961 as applicable to Indian companies having tea estates in Pakistan, should be removed.

Indian Companies, having estates in Pakistan, are allowed relief under Section 91(1) of the Income Tax Act or the provisions of the Double Taxation Avoidance Agreement between India and Pakistan on the entire portion of their Pakistan income, which has been subjected to Pakistan Income Tax.

These companies can also claim relief, under Section 91(3) of the Income Tax Act 1961 in respect of the portion of their Pakistan income, which has been subjected to Pakistan Agricultural Income Tax.

The relief allowed is to be calculated at the Indian rate of tax or the rate of tax in Pakistan, whichever is lower. Sec-

tion 91(3) stipulates that the Indian rate of tax is to be calculated after deducting any relief obtained under the Double Taxation Avoidance Agreement. This means that in the case of a company having an income of Rs. 1 lakh in Pakistan, relief is allowed at the rate of 30%, whereas if there had been no D.T.A. agreement, relief would have been admissible at 44% which is the Pakistan rate of Agricultural income tax.

Up to the time that this report was written the matter remained under consideration by the Central Board of Revenue.

Assam Taxation (On Goods carried by Roads or inland water ways) Act, 1961.— The applications, which had been filed in the Assam High Court on behalf of the Kingsley Golaghat (Assam) Tea Co. Ltd. and the Dessai and Purbuttia Tea Co. Ltd., to challenge the validity of the above-mentioned Act, were heard during the year ; and judgment was delivered by the Chief Justice on the 1st August 1963 declaring the Act *ultra vires* the Constitution of India. The High Court, however, granted permission to the Government of Assam to appeal to the Supreme Court.

Some time before the Assam High Court delivered its Judgment the Association was advised that a writ petition under Article 32 of the Constitution, which had been filed by the Khyarbari Tea Co. on behalf of the Nimtjihora Tea Estate, was likely to be heard by the Supreme Court in the near future. It was feared that if the Khyarbari case came up for hearing the Assam High Court might delay the issue of its judgement in the Association's cases and arrangements were made for the hearing of the Khyarbari case to be postponed. After the Assam High Court had delivered its judgement and the Assam Government had been given permission to appeal, the Association endeavoured to persuade the owners of the Khyarbari Tea Co. to withdraw their case. The Company, however, were unwilling to do so and it was therefore necessary for the Association to apply for permission to the Supreme

Court to intervene in the case. The petitions for intervention were filed on behalf of the Kingsley Golaghat (Assam) Tea Co. Ltd. and the Dessai and Purbuttia Tea Co. Ltd. and were admitted by the Court. The Khyarbari case was heard by the Supreme Court in December 1963 and judgement was delivered on the 13th December 1963. The Supreme Court rejected the Company's petition and declared the Assam Taxation (on goods carried by roads or inland waterways) Act 1961 a valid piece of legislation.

This decision was extremely disappointing but after a study of the Supreme Court's judgement it was clear that all the points which had come before the Assam High Court in the Association's previously successful case had been duly considered by the Supreme Court and that logical decisions had been arrived at on all of them.

Committee on Sales Tax.— By a resolution dated the 7th June 1963 the Government of India set up a Committee to study the incidence of State and Central Sales Tax on commodities entering into the export trade of India and to make recommendations for the removal of any hardship that these taxes might impose on such trade.

The Committee circulated a short questionnaire to all likely to be concerned and a reply was submitted on behalf of the Consultative Committee of Tea Producer Associations in which it was recommended that tea should be declared an exempted commodity on which sales tax should not be collected. It was also recommended that tea estates should be exempted from paying sales tax on green leaf and all items of stores, machinery, etc. purchased by them.

Representatives of the Consultative Committee were invited to meet the Sales Tax Committee on the 20th December 1963. At this meeting which was attended by Mr. B. L. Lahoty of the Bharatiya Cha Parishad, Mr. B. N. Nobis of the Assam Tea Planters Association and Mr. P. J. Parr, the

points raised in the Consultative Committee's reply to the questionnaire were fully explained.

The Assam Urban Immovable Property Tax Act, 1963.— The Assam Urban Immovable Property Tax Act 1963 was published in the Assam Gazette Extraordinary of the 7th August 1963 and was brought into force from the 1st October 1963.

The Act provides for a tax at the rate of 3% of the annual value to be levied on "urban immovable property"; and under Sub-Section 11 of Section 2, Government is empowered to declare as an urban area for the purposes of the Act any area within 16 kilometres of a municipal area and to permit the tax to be levied on immovable property within such an area.

As tea estates have already been brought within the purview of the Assam Panchayat Act, and have thereby been subjected to various impositions including taxes on buildings from Gaon and Anchalik Panchayats, members were apprehensive that they might be subjected to further taxation under the new Act. The Association therefore addressed the Tea Board asking that the Board should make a representation to the Assam Government suggesting that tea estates should be excluded from the purview of the Assam Urban Immovable Property Tax Act. It was pointed out that whatever justification there might be for taxing a property immediately outside municipal areas, which could be regarded as benefiting from urban facilities, such justification did not exist in the case of tea estates which provided their own roads, water supplies, housing, medical facilities and other amenities.

The Assam Government's reactions to the Tea Board's representations are now awaited.

Compulsory Deposit Scheme Act 1963.— The Compulsory Deposit Scheme Act 1963, which received the assent of the

President on the 22nd May 1963, was brought into force from the 1st June, 1963. The Act provided for compulsory deposits, at rates to be prescribed under a scheme, to be made by various categories of persons. In the case of income tax payers deposits made would be adjustable against the additional surcharge which had been imposed under the Finance Act of 1963.

In pursuance of the provisions of the Act, Government published in due course the Compulsory Deposits (Income-Tax Payers) Scheme, 1963. The Scheme laid down the following limits for deposits by income tax payers viz :

Where the depositor's residual income is		
Rs. 6000 or less	...	3% of such residual income
Where the depositor's residual income exceeds		
Rs. 6000	...	3% on the first Rs. 6000 and 2% on the balance.

Under the scheme the income-tax payer is responsible for making his own deposits and the employer is authorised to adjust the deposits against the additional surcharge payable by the tax payer on production of evidence of the deposit.

Government also published a scheme known as the Compulsory Deposits (Employees) Scheme 1963 which came into force from the 1st July 1963 and provided for the payment of compulsory deposits at the rate of 3% by employees whose annual income exceeded Rs. 1500 but was below the taxable limit. Exemption was allowed to persons whose contributions to Provident Funds, Life Insurance and the cumulative savings scheme of the Post Office exceeded in the aggregate 11% of their incomes. This Scheme was repealed, however, in September 1963 and the deposits made are being refunded.

The Apprentices Act, 1961.— By a notification dated the 23rd August 1963, the Government of India, extended the application of the Apprentices Act 1961 to the Tea Industry.

The Apprentices Act, 1961, was introduced in order to enforce compulsory training of apprentices in view of the failure of voluntary efforts. Under the Act employers are required to recruit one apprentice for every seven skilled workers employed in "designated trades". Up to date 26 trades have been notified as "designated trades".

For the purposes of the Act, apprentices have been classified into three categories : full term apprentices who will receive 3/4 years training ; apprentices who will receive 1½ years' training ; and short term apprentices who will receive six months' training. The apprentices are required to be given training according to prescribed syllabi and they will be eligible for National Apprenticeship or National Trade Certificates after passing trade tests which will be conducted by Government. The employers are required to pay the apprentices prescribed stipends during their training ; but there is no obligation on the part of the employer to appoint persons who have completed an apprenticeship course.

The Association was informed by the State Apprenticeship Adviser that the West Bengal Government was proposing to enforce the Act on tea estates with effect from the 1st January 1964. It was explained to the Apprenticeship Adviser that not only did tea gardens have no facilities for giving apprenticeship training, but it was unlikely that tea estates employed the prescribed number of skilled workers in the "designated trades" so far notified. It was agreed, however, that the Association should carry out a sample enquiry to ascertain the number of workers engaged in them on the average large garden. A summary of the returns submitted by gardens to this enquiry has been sent to the Apprenticeship Adviser and his reactions are now awaited.

Motor Transport Workers' Act.— The Association, issued the following advice to members regarding the application of the Motor Transport Workers' Act to tea gardens :—

“ The Motor Transport Workers' Act, 1961 applies to every motor transport undertaking employing 5 or more motor transport workers. It will be noted that in Section 2(g) ‘motor transport undertaking’ covers a private carrier, and the definition of ‘motor transport worker’ includes not merely the driver but anyone involved in work connected with the vehicle. However, there is an exception in Section 2(h) which exempts any person employed in a factory, as defined in the Factories Act, 1948. In the Factories Act “factory” has been defined as “premises where 10 or more workers are working,” etc. “Worker” has been defined as “a person employed directly or through any agency.....in a manufacturing process.....or in any kind of work incidental to or connected with the manufacturing process”. “Manufacturing process” has also been defined, and though it includes a reference to transport it would be better to rely upon the wide phraseology used in the definition of ‘worker’. It may be more difficult to make out a case for those estates which have no factory, but these will be extremely few. Members are advised that in view of the provisions of the Motor Transport Workers' Act those employed on work connected with motor transport should be entered in the Factory Register”.

Assam Plantation Labour Rules.— In a notification dated the 7th March 1963 the Government of Assam issued amendments to rules 40 and 42 of the Assam Plantations Labour Rules 1956 to provide for the treatment of workers in cases where the Civil Surgeon considers the treatment available at the garden hospital dispensary to be inadequate. The amendment also empowered Government to authorise treatment by a qualified medical practitioner or in any hospital found convenient.

Assam Minimum Wages Rules.— In a notification dated the 14th September 1963 issued by the Government of Assam certain amendments were made to the Assam Minimum Wages Rules 1963, the most important of which dealt with the weekly day of rest and the rate of payment for a person who works on the day of rest

In the revised Rule 23, it has now been made clear that, where in fixing a minimum wage, provision has already been made for payment for the day of rest no additional payment will be necessary, and that if a person works on the day of rest he will be entitled to overtime rates, but to no further pay for the substitute rest day.

Industrial Disputes Act: Notices of Change.— By a notification dated the 26th July, 1963 the Government of West Bengal extended for a further period of three years the exemption granted to the tea plantation industry of West Bengal from the provisions of items 4, 6 and 11 of Section 9A of the Industrial Disputes Act, which require managements to give 21 days' notice of change in respect of changes in hours of work and rest intervals, shift working and alteration in numbers employed in different occupations and departments.

Estates were requested, however, to ensure that all changes in respect of the items involved in the exemption were notified to the Labour Commissioner, West Bengal within a week so as to prevent any abuses of the privilege granted.

Assam Payment of Wages Rules, 1934. In a notification dated the 11th March 1963 the Government of Assam published in draft the new Abstract of the Payment of Wages Act and Rules, which is required to be exhibited under the Act. The following comments were submitted to Government on the draft :—

- (i) Paragraph 7 of the draft Abstract reads "Payments in kind are prohibited", whereas Section 6 of the

Act reads " All wages shall be paid in current coin or currency notes or in both ". As "wages" has been defined under the Act, and whereas the term "payments" has not been defined, it is suggested that it would be preferable to follow the wording of Section 6 of the Act by using the term "wages" and not the term "payments".

- (ii) Paragraph 9(2)(b) of the draft Abstract states that " fines shall not be imposed on a child ". As the term "child" has not been defined in the Act or the Rules it suggested that the wording of the Abstract should be amended to conform with Section 8(5) of the Act which reads " No fine shall be imposed on any employed person who is under the age of fifteen years ".

The Association's suggestions were accepted by Government and were incorporated in the finalised abstract which was published in the Assam Gazette of the 9th October 1963 under a notification dated the 25th September 1963. Copies of the Abstract were circulated to members under Circular Letter No. 114 of the 30th October 1963.

West Bengal Industrial Disputes Rules, 1958.— One of the conditions to be fulfilled by employers before effecting retrenchment is to submit a notice in a prescribed form to the State Government. In a notification dated the 10th December 1962, the Government of West Bengal invited comments on certain draft amendments to the West Bengal Industrial Disputes Rules which related mainly to the form and the schedule of the notice, the maintenance of a seniority list of workmen and its display prior to retrenchment as also the procedure for notifying vacancies to retrenched workmen.

The Association examined the proposed amendments and submitted the following comments :

1. *Rule 77(1) (i) & (ii).*—Under the existing rules, when retrenchment is effected on payment of wages in

lieu of notice, an employer is required to send a notice to the State Government immediately after the retrenchment. In the current Rules no time-limit is fixed for the submission of such notice, but the proposed rule stipulates that the notice must be sent within three days from the date of retrenchment. As it may not always be feasible to adhere to this time-limit, it was suggested that the period might be extended to seven days.

2. *Rule 77(1)(iii).*—The Association presumed that the word “agreement” in this sub-section referred to an agreement with the workmen or union for retrenchment and not a service agreement, but it was felt that the wording might lead to some confusion. The Association therefore suggested that the words “termination of service” in this sub-section, as also in the proviso thereunder, should be replaced by the word “retrenchment” so that the proposed rule could not be misinterpreted in any way.
3. *Rule 77A (i).*—The proposal that employers should prepare and maintain a list of all workmen in each category employed, arranged according to seniority in the category concerned, would involve a tremendous amount of unnecessary clerical work for tea estates which employed a large labour force. Moreover, it was considered that the preparation of such lists would be impossible as the year of employment of the older workers could not be ascertained from available records. For these reasons the Association accordingly requested that this particular proposal be dropped. However, in the event of Government being unable to agree to the proposal completely, the provisions of the proposal might be limited to factory workers only.

4. *Rule 77A (ii).*—The inclusion of this new clause was opposed on the grounds that (a) the obligations imposed on employers under Section 25F of the Industrial Disputes Act were adequate to safeguard the interests of workmen ; and, (b) the display of such a list might be used by irresponsible trade unions to create trouble on tea estate.
5. *Rule 78(2) (iii).*—It was unlikely that an employer would have reliable information as to which of the retrenched employees were registered with Employment Exchanges and as such it would be difficult for him to comply with this rule. Moreover, there was hardly any point in introducing this rule since under the Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959, employers were required to notify vacancies that occur.
6. *Rule 78(2).*—The draft rule provided that a retrenched employee should offer himself for work or send a reply within a period of ten days from the date on which the notice of vacancies was posted. The existing rule did not provide any time-limit for reporting or sending a reply. In order to make the position quite clear it should be ensured that a workman reported within ten days from the date of posting the notice as most of the vacancies could not remain unfilled for an unduly long period. It was suggested therefore that the words “or sent a reply” be omitted from the proposed amendments.

In a notification dated the 20th April 1963, the Government of West Bengal invited comments on certain proposals to amend the West Bengal Industrial Disputes Rules which dealt mainly with the procedure to be followed in tribunals and labour courts, proceedings, the determination of costs by tribunals and labour courts, the classification, preservation and destruction of records of tribunals and labour courts etc.

The following comments were made on those rules which were likely to affect the tea industry :—

1. *Rule 20(3).*—Although the word “ordinary” used in sub-rule (3) of rule 20 indicated that the specified time limit of two weeks might be relaxed in suitable cases, it was suggested that the word “within” used in the sub-rule should be replaced by the words “not less than” as employers “might find it difficult to submit the rejoinder to Unions’ written statements in time, if a tribunal applied the proposed rule rigidly and allowed a period of less than two weeks for this purpose.
2. *Rule 21A(f).*—The provisions of this sub-rule appeared to be unnecessarily rigid. The necessity of producing a document in the course of a hearing might arise and the parties should not be debarred from doing so in the interests of justice. It was suggested that a proviso should be added to this sub-rule so that parties might submit a document not included in the list with the permission of tribunals and labour courts.
3. *Rule 24A.*—This rule should be deleted because (a) the existing rule 35 already provided for the payment of expenses to witnesses, and (b) it was inconsistent with the principles laid down by the Supreme Court of India in the cases of the Rohtas Industries and the Punjab National Bank that no workman attending a tribunal was entitled to be reimbursed the expenses incurred by him.

Early in April information was received that the Government of West Bengal was considering a proposal to introduce legislation to make it compulsory for employers to obtain Government's permission before retrenching workers. This proposal was strongly opposed by all employing interests and

a delegation from the Bengal Chamber of Commerce and Industry, on which the Association was represented by Mr. P. Crombie, met the State Labour Minister on the 3rd April and impressed on him the undesirability of enacting any legislation which would restrict the employers' right to retrench surplus staff. A memorandum was also submitted to the Minister.

The Association's view is that legislation in this matter is unnecessary and Government's aims could be achieved by deleting the proviso to Rule 77(1) of the West Bengal Industrial Disputes Rules, which would prevent retrenchment without prior notice and give Government time to intervene if they so wished while not depriving the employer his ultimate discretion. No developments had taken place in this connection up to end of the year.

West Bengal Minimum Wages (Undisbursed Amounts) Rules, 1963.— In a notification dated the 9th September 1963 the Government of West Bengal invited comments on the draft of the West Bengal Minimum Wages (Undisbursed Amounts) Rules, which provides for the deposit with a prescribed authority of the minimum wages which could not be paid to the employee on account of death or because his whereabouts was not known.

The Association did not have any definite objections to these rules, but it was felt that provision should be made in the rules to give an employee the right to nominate a recipient of outstanding dues in case of his death, who would receive payment direct from the employer. This provision was considered desirable because it was felt that the next of kin of a worker, or whoever was entitled to undisbursed pay at death, might experience considerable difficulty in obtaining payment once such amounts had been deposited with the prescribed authority. Although the rules included "Form A" for disbursement, workers were unlikely to know the procedure and in the case of death, money might be needed urgently.

These views were made known to the Government of West Bengal.

West Bengal Factories Rules, 1958.— In a notification dated the 28th August, 1962, which was published in the Calcutta Gazette of 27th December 1962, the Government of West Bengal, Labour Department, invited comments on various amendments which they proposed to make to the West Bengal Factories Rules 1958. After detailed study the following comments were made :—

Rule 62.—The fire fighting arrangements prescribed under this rule were too elaborate and would subsequently increase obligations, financial as well as administrative, for every factory. Practical difficulties were visualised in complying with the detailed requirements proposed. As tea gardens maintained on their own suitable fire fighting equipment, any rigidity in this regard, as contemplated in these rules, should be avoided.

Rule 80.—Factories were at present required to maintain overtime muster rolls and as such the issue of overtime slips to workers, who work overtime, immediately after completion of overtime work was considered to be unnecessary and impracticable. If the intention of the proposed amendment was to facilitate the checking of overtime work as also payments due to the worker on this account, this could easily be done by reference to the muster roll. If Government considered overtime slips essential, provision should be made for their issue within seven days from the date of overtime work and not immediately after the completion thereof.

Form 14 : Register of Child Workers.—As the employment of a child worker was subject to a certificate of fitness issued by the Certifying Surgeon, which contained the certified age of the worker, it was unnecessary to add a column in the register of child workers for recording the date of birth and/or certified age of the child worker.

Form 16 : Leave Book.—The amendments proposed to Form 16, the Leave Book, appeared to be of little consequence but they would entail unnecessary expenditure in getting the existing Form 16 either amended or reprinted. In view of the necessity for economy on account of the emergency, this appeared to be unjustified. In this connection Government's intention was invited to the suggestion made by the Association that a proviso should be added to Rules 88 and 89 of the West Bengal Factories Rules to permit tea estates to maintain their leave records in Forms 10 and 11 as prescribed under Sub-rules 1 and 2 of Rule 78 of the West Bengal Plantations Labour Rules.

Form 22 : It was not understood why it was necessary to amend Part I of this form to provide for information showing the number of workers exempted from Sections 51, 54, 55 and 56 separately. This provision would entail additional work for the employers and apparently would serve no useful purpose.

If the amendment proposed in Part II of the form was adopted it would be necessary for employers to supply information about accrual as well as utilisation of leave by workers not only for the period of the report but also for previous years. Since the data sought to be collected should be available to Government from previous years' returns, the change appeared unnecessary and would add to the clerical work of the factories, already submitting a large number of returns, statutory or otherwise.

The amendment to Part III of the form which required employers to submit information regarding the number of workers discharged or dismissed, and the number of discharged workers paid wages in lieu of leave, seemed to be unnecessary as this information could be obtained from the "Register of Leave with Wages" maintained under Rule 88.

The Export (Quality Control & Inspection) Act 1963.—The Export (Quality Control & Inspection) Act 1963, which was passed by the Lok Sabha during the Budget Session, empowers Government on the advice of an Export Inspection Council, which will consist of a Chairman and 15 members :—

- (i) to notify the commodities which should be subjected to quality control and/or inspection before export ;
- (ii) to specify the type of control and inspection to be applied ;
- (iii) to lay down specifications or standards for such commodities, and
- (iv) to prohibit the export of such commodities without a certificate confirming that they conform to the specifications laid down.

In July 1963, the Association learnt with some concern from the Agenda papers of the Board of Trade meeting which was scheduled to take place on the 6th July, that it appeared to be Government's intention to include tea in the schedule of notified commodities under the Act as soon as specifications for tea had been formulated by the Indian Standards Institution, and that in the meantime the Tea Board's voluntary inspection scheme would be made compulsory. When the Minister of International Trade, in an announcement before the Informal Consultative Committee of Parliament, confirmed that in fact this was Government's intention, the Chairman referred the matter to the Chairman of the Tea Board asking him to dissuade Government from the action proposed.

It was explained that as teas sold at the Calcutta Auctions are required to conform to the specifications laid down in the Prevention of Food Adulteration Act and are sold on the basis of samples, there appeared to be no reason why any inspection arrangements should be necessary at the time of export. Such

inspection would merely cause delay in shipments, add to expenses, and run counter to the general desire for speedy movement through the Ports.

It was suggested that the Tea Board's voluntary inspection scheme should be published by the Indian High Commissioners in all countries and that importers should be encouraged to use the scheme when dealing with buyers in India, with whom they had not yet established firm connections.

The matter is to be further examined by the Tea Board.

Foreigners (Restricted Areas) Order, 1963.—Under a notification dated the 14th January 1963, the Government of India, Ministry of Home Affairs, issued the Foreigners (Restricted Areas) Order, 1963, which made it necessary for foreigners to obtain permits to enter and/or remain in certain areas on the northern frontiers of India. The restricted areas specified included :

- (1) all districts in the State of Assam
- (2) Darjeeling, Cooch Behar, Jalpaiguri, Malda and the Dinajpur Districts of West Bengal.

Foreigners, who had been resident in the restricted areas for more than five years and who were not Chinese nationals or of Chinese origin, were exempted from the provision of the Order.

Arrangements were made for affected tea planters and their families, who had been resident in the restricted areas for more than five years, to be issued with exemption permits.

In other cases permits, which were valid for one year, were issued by the Deputy Commissioners and District Magistrates. For visits into the restricted areas by representatives of Agency Houses etc. arrangements were made for the

issue of permits by the Police authorities in the case of districts in West Bengal and by the Assam Trade Adviser in the case of the Assam districts.

Certain difficulties arose regarding movement within the restricted areas by persons covered by the Order. In West Bengal orders were issued making permits issued for any restricted district in the State valid for all the other restricted districts in the State. The issuing authorities were also empowered to endorse the permits for travel to restricted areas in other States. Efforts are being made to have similar concessions extended to Assam also, and the Shillong Adviser is in correspondence with the Assam Government in this connection.

Claims in Respect of Teas Carried by Road. Towards the end of 1962, the Association, at the request of the Insurance Association of India, addressed the Calcutta Road Transport Association suggesting that "damage certificates" issued by the broker members of the Calcutta Tea Traders Association should be accepted as evidence of loss and as the basis for the assessment of claims for compensation in respect teas damaged while in transit by lorries.

The Transport Association replied that they could not accept the proposal made in view of the hazards of the road journey from the tea districts to Calcutta, which involved several river crossings, and they suggested that Tea Companies should insure their consignments against transit damage. It was evident that the Association's proposal had been misunderstood and the Association again took the matter up with the Transport Association pointing out that tea companies already insured their teas when carried by lorry. When teas were lost or damaged, claims had to be supported by "damage certificates" and it was customary for such certificates to be issued by the brokers. Such certificates were accepted evidence of loss by the insurers, the railways and the steamer companies and there appeared to be no reason why they could

not be similarly accepted by the members of the Transport Association.

It was explained that acceptance did not imply any acceptance of liability, as this was subject to the conditions of carriage and to the provisions of the law applicable to common carriers. The "damage certificate" when accepted as evidence of loss merely confirmed that a loss had occurred and the question of whether any liability attaches to the carrying company remained a matter to be decided on the basis of the facts of each case.

In spite of this detailed explanation the Calcutta Transport Association regretted its inability to accept the proposal made and suggested that tea companies should deal with the matter direct with their carriers.

Railway Claims.— During the year a number of problems arose regarding the settlement of claims by the railways.

(1) Claims in respect of goods loaded at private sidings.— The Association was informed that the railway authorities were rejecting claims submitted through the Joint Steamer Companies for pilfered and damaged teas despatched by the rail-cum-river route from destinations in Assam on the grounds that the consignments, which had been loaded at the tea garden sidings, had not been loaded under railway supervision but had been loaded, tallied and sealed by the consignor himself.

It appeared that the railway had recently revised the standard siding agreement and that sidings were now required to be provided with weighbridges, level crossing gates and gate lodges. Siding owners were also expected to meet the wages etc. of a weigh clerk, goods clerk, gateman and other staff required and also to provide accommodation for them. If these facilities were not provided, railway receipts were issued at the

"Serving Station" and marked "said to contain" which permitted the railways to disclaim all responsibility for losses etc.

The new conditions laid down for the operation of railway sidings were considered most unfair and arbitrary and the Association therefore took the matter up with the N. F. Railway authorities explaining that tea gardens could not afford the expenditure involved in complying with the clauses of the new agreements covering the payment of salaries of a number of railway employees, as well as installing and maintaining weigh bridges. The tea garden sidings had been in existence for many years and as far as the Association was aware, no circumstances had arisen which justified the change in procedure. If the railway authorities insisted on imposing the new conditions, tea gardens would only have the option of surrendering the sidings, for the uprooting of which they would have to pay, or of booking their consignments against qualified receipts, which would prevent them from claiming for shortages etc., which occurred on the rail portion of the journey to Calcutta.

The railways were therefore urged to allow tea gardens to continue operating under the same arrangements as were in force before the new agreements were introduced. The railway's response to this representation is still awaited.

(2) *Packing conditions for Tea.*—Last year the railway authorities had made a change in the railway goods tariff stipulating that tea chests offered for carriage to the railways should contain not more than 100 lbs. of tea and that the chests should have wooden frames and should be bound under tension with steel strappings or wiring. This specification had been withdrawn, however, at the intervention of the Tea Board and the previous specification which read as follows had been restored :—

"Tea in Bulk must be packed in (i) metal lined patent chests or (ii) metal lined or alkathene film lined

wooden chests and securely bound with hoop iron or wire ”.

During the year cases were reported to the Association where claims for losses were being rejected by the Chief Commercial Superintendent, Eastern Railway, Sealdah, on the grounds that the tea had been packed in “patent chests and not bound with hoop iron or wire”. The matter was referred to the Tea Board who have taken up the case with the Eastern Railway authorities.

(3) *Claims in respect of consignments which were diverted to Kantapukur during the Emergency.*—During the steamer strike at Gauhati, tea consignments, which had been booked to T. T. Sheds by steamer through the Steamer Companies, had been diverted by the rail route via Dhubri to the warehouses at Kantapukur. With a view to expediting the transshipment it was agreed that fresh documents need not be issued by the railways for the consignments. The teas were eventually delivered by the railways to the consignees at Kantapukur and in accordance with established practice claims arising in respect of these consignments were filed with the railways. The railways, however, repudiated the claims advising the consignees to file them with the steamer companies on the grounds that the destination station on the documents was a station on the steamer services. The steamer companies in turn repudiated the claims and returned them to the railways suggesting that the dispute should be resolved at a meeting between representatives from the railways, the Steamer Companies and the Indian Tea Association to be held under the auspices of the Tea Board. The railway authorities rejected the suggestion for a joint meeting and the matter has now been referred to the Tea Board, who have been asked to use their influence to persuade the railways to attend the proposed meeting. It is regretted that up to the time of writing the railways have remained ada-

mant in their attitude that the meeting will serve no useful purpose.

(4) Claims in respect of consignments booked via Pakistan.—In November 1962 Steel Brothers & Co. Ltd. advised the Association that the N. F. Railway had repudiated under Section 76E of the Indian Railways Act a number of claims in respect of foodgrain consignments, which had been consigned by routes via Pakistan. These and subsequent cases have been brought to the attention of the Tea Board, who had taken up the matter with the railway authorities, whose reactions were still awaited.

Railway Freight Concession on Export Commodities.—In February 1963, the Government of India announced a revised schedule of export freight concessions which included in the scheme a large number of additional commodities and enhanced substantially the percentage of rebate in tariff on a number of items.

Following this announcement the Consultative Committee of Tea Producer Associations approached the Tea Board with a request that Government should be moved to allow freight rate concessions for tea. The matter was taken up by the Tea Board with Government but unfortunately the proposal was turned down. The Association has since asked the Tea Board to make a further reference to Government in this matter and Government's reactions are awaited.

Assam Chaplaincy Scheme.—The Assam Chaplaincy Scheme suffered a set back when Canon L. T. F. Carpenter advised the Association that he would be unable to return to India on the expiry of his leave.

The Chaplaincy Establishment, therefore, now only consists of the Rev. P. Innes, who is posted at Digboi.

Temporary arrangements have been made by the Bishop of Assam for Canon Carpenter's ministry to be looked after by Archdeacon Wyld until a new Chaplain is engaged.

Tea Companies continued to contribute to the Scheme in 1963 at the same rate as in 1962 viz. Rs. 124 per 100 hectares.

Planters Amenities Fund.— The rates of subscription to the Planters Amenities Fund for 1963 were fixed at the same level as in 1962 viz :

31 nP. per hectare for Cachar gardens.

62 nP. per hectare for all other tea areas.

The collections made were distributed in accordance with proposals, which received the prior approval of the Committee.

Malaria Control.— At a meeting held on the 6th December 1962 to coordinate malaria eradication on tea estates with the National Malaria Eradication Programme the following important decisions were taken.

Spraying : A survey made on tea gardens had indicated that the sprayable area per person on tea estates was greater than in the villages. The Director of the National Malaria Eradication Programme therefore agreed that the quantity of D.D.T. supplied to tea estates should be increased by one-third.

Surveillance : It was agreed that tea estates should co-operate with the N. M. E. P. in passive surveillance by taking blood slides from all fever patients reporting at garden hospitals.

Active surveillance would be the responsibility of the Government Malaria Unit Officers but tea estates would be expected to allow the surveillance workers, who would carry

identity cards, facilities for visiting the labour lines to look for malaria cases.

Early in the year the Association was advised by the Dooars Branch that the malaria eradication authorities wished to post surveillance inspectors and surveillance units at various tea gardens and had asked the gardens to provide accommodation. Although such an arrangement had not been envisaged at the December meeting, members were asked to provide accommodation where it was possible for them to do so.

In December 1963 the Association received a complaint from the N. M. E. P. authorities that tea gardens were not co-operating in the matter of sending blood slides of fever patients. The Association reminded members of their obligations in this connection and requested them to cooperate with the N.M.E.P.

Calcutta School of Tropical Medicine. —The members of the Association, with a few exceptions, continued their support of the Calcutta School of Tropical Medicine during 1963, the subscription being fixed at 7.5 nP. per hectare. A total of Rs. 9178/14 was accordingly paid over to the School. The Association was represented on the Governing Body of the School by Mr. N. S. Coldwell. When Mr. Coldwell retired from India his place was taken by Mr. I. F. Morriss.

The normal courses for the Licence and for the Diploma in Tropical Medicine were held during the year as from the 16th October 1963.

Ross Institute of Tropical Hygiene. —Tea Companies in the membership of the Association continued to support the Ross Institute of Tropical Hygiene, India Branch, during the year. The rate of subscription for 1963/64 was fixed at ten naye paise per one hundred kilograms of the average annual production of tea subscribers for the years 1960/1961/1962.

With the co-operation of Dr. A. T. Bromley, Chief Medical Officer of the Chuapara Medical Association, the Ross Institute conducted a refresher course for Assistant Medical Officers in the Dooars in January 1963.

Rate of Emigrant Labour Cess. — The Government of India, Ministry of Labour and Employment fixed the rate of Emigrant Labour cess for the year 1st October 1963 to 30th September 1964 at Rs. 9/- per assisted emigrant.

Cemeteries in the Tea Districts. — Agency Houses with interests in Darjeeling subscribed towards the Darjeeling Cemeteries' Fund at the rate of Rs. 30/- for each garden while those in Cachar, except gardens in Longai Valley, contributed towards the Christian Cemetery in Silchar at the rate of Rs. 20/- per garden.

Supply of Tea Waste for Caffeine Manufacture. — During the year under review the Association maintained its policy that tea gardens should destroy their tea waste on the estates, and should not make supplies available for any purpose whatsoever except to caffeine manufacturers approved by the Association. Special arrangements were made for the supply of tea waste to Eastern Chemical Industries Private Ltd. at Dibrugarh and to Bengal Chemical and Pharmaceutical Works Ltd. at Calcutta for this purpose.

Membership Subscription. — The rate of membership subscription for the last three years has been as follows :—

1961—2.88 nP. per kilogram of the average production
for the years 1957, 1958 and 1959.

1962—2.88 nP. per kilogram of the average production
for the years 1958, 1959 and 1960.

1963—2.88 nP. per kilogram of the average production
for the years 1959, 1960 and 1961.

Finance.—Copies of the audited balance sheets of the Association and the Scientific Department as at the 31st December 1963, together with the revenue accounts for the year are attached to the report.

Hon. S. P. Sinha. *Chairman*
H. K. FitzGerald, *Vice-Chairman*
Sir Richard Duckworth, *Bt.*
P. A. Francis
E. H. Hannay
M. Lamond
A. F. Macdonald
D. J. R. Petitpierre
S. Prashad
A. N. Sircar
D. B. Wallace
G. A. Whitaker

E. I. Brown,
Assistant Secretary,
Royal Exchange,
Calcutta, 1st February, 1964.

REPORT OF THE WEST BENGAL SUB-COMMITTEE

The West Bengal Sub-Committee.—The following gentlemen served as members of the Sub-Committee for 1963 :—

Mr. A. F. Macdonald, <i>Chairman</i>	}	Duncan Brothers & Co. Ltd.
Mr. M. S. Christie		
Mr. D. B. Wallace, <i>Vice-Chairman</i>	}	Shaw Wallace & Co. Ltd.
Mr. P. Steyn		
Mr. P. A. Francis	}	Andrew Yule & Co. Ltd.
Mr. F. P. D. Hurst		
Mr. M. Lamond		Jardine Henderson Ltd.
Mr. C. R. F. Mackenzie		McLeod & Co. Ltd.
Mr. G. W. Maycock		Gillanders Arbuthnot & Co. Ltd.
Mr. G. Morgan		Williamson Magor & Co. Ltd.
Mr. D. J. R. Petitpierre		Octavius Steel & Co. Ltd.
Mr. S. Prashad		Davenport & Co. Ltd.
Mr. A. N. Sircar	}	James Finlay & Co. Ltd.
Mr. R. C. N. Scott		

Labour Disputes—West Bengal.—In the Association's report for 1961, it was recorded that following a number of conciliation meetings agreement had been reached with the Unions in West Bengal in respect of their demands for an increase in the number of paid festival holidays and in respect of leave with wages for attending conciliation and adjudication proceedings.

During the year the West Bengal Cha Sramik Union proposed to the Labour Commissioner, West Bengal, that a conference should be arranged between the labour and employers for the purpose of signing a formal agreement on these subjects as well as in respect of the following items which had also been discussed during the 1961 meetings :

- (1) retiring age.
- (2) continuation of the existing facilities for workmen's genuine dependants regarding rations.
- (3) Preference to local people in recruitment.

A meeting which was attended by Mr. A.F. Macdonald, Mr. H. K. T. Turner, Mr. P. J. Parr and Mr. T. Borooah on behalf of the Association was accordingly held on the 30th July 1963 when an agreement was drawn up and signed in the following terms :—

“ The parties agreed on the following points :

- (1) In addition to the two National Holidays with pay on the 26th January and 15th August the employers agree to give five Festival Holidays with pay per year :—two days at the Durga Puja, one day at the Kali puja and two days at the Fagua Puja, provided the worker performs a day's work on the day before the holiday, or on the day after holiday according to existing garden practice.
- (2) The employers agree to grant leave with pay up to a maximum of three persons when actually attending conciliation or tribunal proceedings, in respect of their own gardens. This leave would be limited to the period of such proceedings plus immediate travelling time. When attending proceedings which are not solely the concern of the employee's garden, no payment will be made by the garden.”

It was decided that the additional items should be considered at a later meeting. This meeting was scheduled to take place on the 25th September at Jalpaiguri but owing to a hartal at Calcutta on the previous day some of the representatives of the Employers and the Union could not attend and it was adjourned. In the meantime, the Employers' representatives were requested to formulate their views on the possibility of drawing up a retirement scheme for daily rated labour and monthly rated workers other than the clerical staff.

Abolition of the Hazri-Doubli System.— In last year's report it was recorded that agreement had been reached between the Dooars Branch and the Union that the hazri-doubli system should be abolished and that with effect from the commencement of the 1963 plucking season a single task should be given for the complete day's plucking, the task being based on the present task for the Hazri with 11 kg, 10 kg and 6 kg being added for men, women and children respectively.

In February 1963 the Branch asked the Assistant Labour Commissioner to ensure that the Unions had explained to their members the details of the procedure in order to avoid any dispute which might arise if this were not done.

The Assistant Labour Commissioner arranged a conference between the Branch and the Unions in April to discuss this matter when it became clear that the Unions had not made any attempt to explain the scheme to the workers. In the circumstances it was decided that the introduction of the new scheme would have to be deferred. Efforts were made to convene another conference of the Unions to process this matter but up to the end of year a date suitable to all concerned could not be found.

Clerical and Medical Staff in the Dooars.— During the year the negotiations, which had been going on between the Dooars Branch and the Dooars Tea Garden Indian Employees Association regarding leave and retiral benefits for clerical and

medical staff in the Dooars, were brought to a satisfactory conclusion.

The Union's demands relating to leave were referred to arbitration by the Chairman of the Association and the award, details of which are given on pages 54 and 55 of this report, will be introduced, where applicable, with effect from leave earned in 1963.

An agreement, effective from 1st January 1964, was signed under which tea companies will be permitted to organise their own schemes of retiral benefits for clerical and medical staff subject to certain minimum standards, details of which are given on pages 55 and 56 of this report.

Air Services in the Dooars.— The various airfields in the Dooars continued to function successfully under the control of the local airfields Committees and the aircraft, operated by Associated Airworks under an agreement with the Dooars Branch, provided a valuable service throughout the year.

As in previous years, Jamair & Co. Private Ltd. were retained to provide services between Calcutta and the Dooars ; and gardens in the Dooars agreed to ship 2½ per cent of their crop as backloads by that Company.

Early in the year, Jamair & Co. Private Ltd. advised the Association that increased operating costs compelled them to revise their passenger fares and freight rates for the Dooars. These increases were approved by the Association and came into force from the 11th March 1963.

Unfortunately, however, the Central Budget proposals imposed heavy additional duties on aviation gas, oil, spare parts etc. and it was necessary for Jamair to revise further their rates with effect from the 23rd May, 1963.

As a result the single passenger fare was increased from Rs. 70 to Rs. 75 and then to Rs. 80. The freight rate on tea

was increased from 35 nP. per kg. to 40 nP. per kg. and then to 42 nP. per kg.

Darjeeling Hill Railway.—Shunting charges.—In last year's report it was recorded that the N. F. Railway had revised their shunting charges and that in respect of the Singell Tea Estate a minimum charge of Rs. 19 per shunt had been fixed, which with the siding charge would cost the estate Rs. 40 on each occasion.

On the matter being taken up by the Tea Board, the railways explained that in respect of the Singell Tea Estate the siding charge had been fixed at Rs. 1/- per 4-wheeled wagon ; Rs. 1/50 per 6-wheeled wagon ; and Rs. 2/- per bogie wagon and that the minimum of Rs. 19/- would be levied only when the siding charge at the rates specified fell short of Rs. 19/- per shunt.

Telephone Services in the Dooars and Darjeeling.—(a) *Proposed exchange at Newlands.* The Post-master General, West Bengal Circle advised the Association that the proposal to open a public call office at Newlands could not be sanctioned owing to the heavy cost of constructing new lines from Alipur Duar to Newlands. It was proposed instead to establish an auto exchange in the area if the required power supply could be obtained. It appeared from a survey that Kumargramduar would be a better site for the exchange than Newlands and the case was being processed accordingly.

(b) *Birpara exchange.*—As the magneto type exchange at Birpara was not working very satisfactorily the Posts & Telegraphs authorities propose to replace it by a battery type exchange and for this purpose arrangements have been made to obtain land in the town area for the construction of a building to house the new exchange.

(c) *Binnaguri exchange.*—A proposal to establish a small auto exchange at Binnaguri had to be abandoned as no electricity could be made available for the exchange.

(d) *Oodlabari exchange*.—It had not been possible to provide tea gardens with connections from this exchange owing to a lack of stores and the distances involved. Connections had been promised as soon as the stores position improved.

West Bengal Estates Acquisition Act.— A number of notifications were issued during the year by the Government of West Bengal amending the West Bengal Estates Acquisition Rules 1954, and these notifications were circulated to members for information.

During the year the Association received reports that, in a number of cases where the Government of West Bengal had issued orders for the resumption of land under the West Bengal Estates Acquisition Act, the orders had covered lands which were suitable for the cultivation of tea and which had been reserved for extensions. These cases were reported to the Tea Board and it is understood that the Board is arranging for a delegation to see the Chief Minister of West Bengal to seek his intervention in these cases. Information is being collected from members of cases where lands suitable for the cultivation of tea have been acquired or requisitioned by the State Government.

West Bengal Forest Advisory Board.— Mr. R. D. C. McCall of the Rydak Tea Estate in the Dooars continued to represent the Association on the West Bengal Forest Advisory Board.

Electricity Supply in North Bengal.— (1) *State Electricity Consultative Council.*—Sir Richard Duckworth, Bt. continued to serve as the industry's representative on the West Bengal State Electricity Consultative Council.

A meeting of the Council was held in February 1963 and was attended by the Calcutta Adviser, Mr. P. J. Parr on behalf of Sir Richard Duckworth. At the meeting, progress made in the execution of the Jaldhaka Hydro Electric Project

was reviewed and it was reported that despite certain difficulties encountered in the design of the barrage, the target date for the completion of the Project would be end 1964/February 1965.

(2) *Darjeeling*.—Tea gardens in Darjeeling continued to experience considerable inconvenience as a result of the shortage of electricity and the very low voltage at which it was supplied. These difficulties were accentuated by an order issued by the Government of West Bengal which placed a complete restriction on the supply of power from the Darjeeling Electric Supply Corporation and the Kurseong Electric Supply to industrial consumers during the hours of 5 p.m. and 10 p.m. On representations being made however, a relaxation of this restriction was granted and some power was made available to the affected estates.

S. B. Dey Sanatorium, Kurseong.— During the year negotiations were completed by the Tea Board with the S. B. Dey Sanatorium for six beds to be reserved for tea garden patients at the Sanatorium at a charge of Rs. 2400 per bed per annum.

The Tea Board will meet two thirds of this charge and the Darjeeling Branch will meet the balance. The Branch will be responsible for the allocation of the beds.

Training of Dais in Darjeeling.— The courses organised by the Deshbandhu Dai Training Society at Darjeeling continued to be held in 1963 and a number of tea garden nominees attended, applications for admission being channelled through the Association and the Tea Board.

Dooars and Darjeeling Nursing Home.— The Dooars and Darjeeling Nursing Home continued to function most efficiently during the year under review under the supervision of Dr. R.G. Azizkhan.

The rates of tea company subscriptions were maintained at the same level as in 1962, viz.

For gardens in Darjeeling	Rs. 4.65 per hectare
For gardens in Terai	Rs. 3.85 per hectare
For gardens in the Dooars excluding Eastern Dooars.	Rs. 1.85 per hectare
For gardens in the Eastern Dooars	Rs. 1.25 per hectare
Special Health Scheme	Rs. 4.65 per hectare

Since the appointment of Dr. Azizkhan, who unfortunately has now resigned, the financial position of the Nursing Home has improved considerably. mainly because of increased patronage by non-members.

The Blood Bank came into operation during 1963 and has been making very satisfactory progress.

Darjeeling Chaplaincy Fund.— In 1948, the Association gave an assurance to the Metropolitan of India that on condition that a Chaplain was maintained in Darjeeling, an annual contribution of Rs. 5000/- would be guaranteed by the Industry to assist in the upkeep of the Chaplaincy. During the year under review Agency House gardens in the Darjeeling District contributed at the rate of 80 nP. per hectare to raise the guaranteed sum and the total collection, which amounted to Rs. 5192.16, was paid to the Bishop of Barrackpore under whose jurisdiction Darjeeling falls.

A. F. MACDONALD,
Chairman,
West Bengal Sub-Committee.

Royal Exchange,
Calcutta, 1st February, 1964

**REPORT OF THE SCIENTIFIC DEPARTMENT SUB-
COMMITTEE FOR THE YEAR ENDING 31ST
DECEMBER 1963.**

The following persons served as members of the Scientific Department Sub-Committee during 1963 :—

Mr. N. S. Coldwell, M. C., <i>Chairman</i> ...	}	James Finlay & Co., Ltd.
Mr. A. N. Sircar		
Sir Richard Duckworth, Bt., <i>Vice-Chairman</i> ...		James Warren & Co., Ltd.
Mr. M. S. Christie ...	}	Duncan Brothers & Co., Ltd.
Mr. J. D. W. Allan ...		
Mr. J. A. Eastwood ...	}	Jardine Henderson Ltd.
Mr. M. Lamond ...		
Mr. H. K. FitzGerald ...	}	Balmer Lawrie & Co., Ltd.
Mr. P. C. Simms ...		
Mr. P. A. Francis ...	}	Andrew Yule & Co., Ltd.
Mr. F. P. D. Hurst ...		
Mr. M. J. Griffiths ...		Williamson Major & Co. Ltd.
Mr. R. MacIntosh ...		Telepara Tea Estate
Mr. C. R. F. Mackenzie ...		McLeod & Co., Ltd.
The Hon. S. P. Sinha ...		Macneill & Barry Ltd.
Mr. D. B. Wallace ...	}	Shaw Wallace & Co., Ltd.
Mr. H. K. Rao ...		
Mr. M. C. Whear ...		Octavius Steel & Co., Ltd.
Mr. G. A. Whitaker ...	}	Gillanders Arbuthnot & Co., Ltd.
Mr. G. W. Maycock ...		

Owing to his impending retirement from India Mr. N. S. Coldwell resigned his membership of the Sub-Committee at the end of September 1963 and Mr. I. F. Morriss of Jardine Henderson Ltd. was appointed to take his place as Chairman of the Sub-Committee.

Organisation of Tocklai Experimental Station.— As on the 31st December 1963, the Senior Staff at the Tocklai Experimental Station consisted of :—

Directorate.—

Director	...	Mr. N. G. Gokhale
Administrative Officer	...	Mr. J. R. Gee-Smyth
Finance & Accounts Officer		Mr. M. K. Choudhuri
Maintenance Engineer	...	Mr. N. C. Barua

Physico-Chemistry Branch.—

Senior Physical Chemist	...	(Post vacant)
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Botany Branch.—

Senior Botanist	...	Dr. D. N. Barua
Botanist	...	Mr. W. Hadfield
Additional Officer	...	Mr. P. K. Barua

Agriculture Branch.—

Senior Agriculturist	...	Dr. K. N. Sharma
Agriculturist	...	Mr. S. C. Barua

Plant Protection Branch.—

Senior Entomologist	...	Dr. G. M. Das
Mycologist	...	Dr. V. Agnihotrudu
Pesticide Testing Officer	...	Dr. T. D. Mukerjee

Biochemistry Branch.—

Senior Biochemist ... Dr. I. S. Bhatia

Tea Tasting & Manufacturing Advisory Branch.—

Senior Tea Taster ... Mr. R. Choudhury

Engineering Development Branch.—

Senior Research Engineer ... Mr. D. N. Barbora

Statistics Branch.—

Senior Statistician ... Dr. A. R. Sen

Advisory Branches.—

ASSAM : —

Chief Advisory Officer,
Assam ... Mr. S. K. Dutta

Advisory Officer, North
Bank ... Dr. P. C. Sharma

Advisory Officer ... Mr. S. K. Basu

WEST BENGAL : —

Senior Advisory Officer,
West Bengal ... Mr. W. J. Grice

Advisory Officer,
West Bengal ... Mr. H. Mitra

Staff.—

(a) *Resignations.*—The following officers left the Association's service during the year and left the Station on the dates shown against their names : Mr. J. D. Moir on the 11th January ; Mr. J. Wainwright on the 23rd January ; Mr. J. M. Trinick on the 25th April and Dr. K. G. Tejwani on the 29th April.

(b) *Retirements*.—Mr. A. Ahmed left the Station on the 30th June ; Mr. I. McTear left the Station on retirement on the 20th July and Mr. N. C. Barua on the 31st December.

(c) *Appointments & Promotions*.—Mr. R. D. E. Langford-Rae of A.B.I.T.A. acted as Administrative Officer, Tocklai, during the period 1st July to 8th September. Mr. J. R. Gee-Smyth of A.B.I.T.A. was seconded to Tocklai and assumed charge as Administrative Officer on the 30th September. Mr. S. C. Barua, Selection Grade Assistant of Botany Branch, was promoted to the post of Agriculturist with effect from the 1st April. Mr. R. Choudhury took over as Senior Tea Taster from the 26th April and Mr. D. N. Barbora as Senior Research Engineer from the 21st July.

(d) *Transfer*.—Mr. S. K. Basu was transferred from the Agriculture Branch to the Assam Advisory Branch on the 1st May. He was under training until the end of July.

(e) *Leave*.—Mr. N. G. Gokhale, Director, was on leave from the 27th May to 13th July. Dr. G. M. Das was on long leave from the 17th April to the 24th October. Mr. W. J. Grice was on long leave during the period 17th May to 17th November. Mr. S. K. Dutta was on overseas study-cum-long leave during the period 8th August to 27th November.

The following Officers had their annual leave during the year : Mr. N. C. Barua, Mr. R. Choudhury, Dr. K. N. Sharma, Mr P. K. Barua, Dr. T. D. Mukherjea, Mr. M. K. Choudhuri, Mr. H. Mitra, Mr. S. C. Barua and Mr. S. Basu.

The following Officers had local leave during the year : Dr. I. S. Bhatia, Dr. A. R. Sen, Dr. D. N. Barua and Mr. W. Hadfield.

(f) *Visit*.—Mr. S. K. Dutta visited the Kangra Valley tea areas during the period 30th March to 9th April, at the invitation of the Tea Board. Mr. W. Hadfield represented the

Director at the 10th Annual Scientific Conference of the UPASI, held on the 4th September, at Coonoor. He also visited a number of tea estates in South India.

Branches.— The post of Soil Chemist has been vacant since the 29th April and the research programme of the Physico-Chemistry Branch has been kept in abeyance for the time being. Some work was, however, carried out on leaf composition as a result of continuous application of various doses of N.P.K. fertilisers and also on the resultant changes in the chemical properties of the soil. Soil samples have been collected from certain tea estates which carry out irrigation with water which is rich in alkaline salts : these samples will be collected annually and the object of this investigation is to see how soil acidity status is affected. The number of soil samples analysed by the Branch during the year was 2,892. The Branch continued to be responsible for meteorological observations at Tocklai and the three sub-stations.

The Botany Branch continued its work on breeding, morphology and plant physiological studies, critical studies into the shade problem etc. An investigation has been started to assess the inter-relationship between the degree of pubescence and liquor properties of tea in the case of C.T.C. manufacture. Further studies have been carried out regarding the root growth of seedlings vs. clonal plants. Preliminary investigations have now been completed regarding the shade pattern provided by most of the shade tree species used in northeast India. It is now possible to give a fairly accurate picture of the shade density likely to be obtained by the use of pure or mixed stands of shade trees and to estimate the degree of thinning out or removal required to improve the shade status of a given section of tea.

The Agriculture Branch continued with the field trials at Borbhetta and co-operated with the Advisory Branches in carrying out field trials in tea estates. A total of 114 field

trials continued in 1963. The main subjects under study were manuring, shade, plucking, pruning, and rehabilitation of land. In one long term N.P.K. field trail, there was indication that where there was a good stand of shade, it may be beneficial to apply phosphate fertiliser in small doses. Comparisons are being made between forty three different species and types of shade trees in the case of different clones and jats of tea. The earlier results on the performance of the species under trial are borne out by our recent observations on soil moisture and yield of tea under these species. *Albizzia odoratissima*, *A. lebbeck*, *A. lucida*, may be grouped together as the best followed by the group consisting of *Milletia dura*, *A. coriaria*, *A. zygia*, *A. gummifera*, *Glyricidia sepium*, and *A. moluccana*. *A. maranguensis* is the worst. In one experiment, artificial shade giving light intensity between 60% to 70% during different periods of the year was tried and the results indicated that shade during the months of March and April was most critical. Several new weedicides have been tried out in the case of cutting and seed nurseries, and also young and mature tea, to study their effects in controlling various species of weeds and grasses and to see if there are any possible undesirable effects on the tea bushes. Application of Simazine at the rate 9 kg./ha. or Atrazine at the rate 6.7 kg./ha. twice during the rains, has given good control of broad-leaved weeds in the case of young tea. For control of thatch and deep rooted grass, application of Dalapon at the rate 3.4 kg./ha. showed good results.

The Entomology Section continued its studies into the control measures and ecological studies regarding Red spider. Studies into the life-history of Scarlet mite have also been made and both laboratory tests and field trials show that Kelthane and Akar gave good control against Scarlet mite.

The Mycology Section continued its investigations into the fungus diseases of tea. Trials carried out in control of Red rust confirmed that Copper is superior to either organo-

tin or chlorinated nitro-benzene compounds. A Triphenyl tin compound was, however, found to be as effective as Copper fungicide in control of Black rot. 889 specimens of diseased plant material were received from tea estates and reported on.

The Pesticide Testing Unit continued its work on the screening of pesticides. Tedion has proved to be superior in the case of Red spider but it was ineffective in controlling Scarlet mite. Kelthane, Acracid and Akar 338 were equally effective in controlling Scarlet mite. Telodrin appears to afford good protection against Cockchafer grubs and further trials are continuing in this connection. Nemagon and Fumazone were tried against Root-knot nematodes and both appear to give promising results. 9 new products were received for testing and certificates were renewed in the case of 12 pesticides. A total of 766 soil samples were tested for eelworm count and reported on.

The Biochemistry Branch continued its investigations into the chemical aspects of withering, the polyphenols of tea leaf, the role of pectin in tea fermentation etc. In addition to the increase in amino-acids resulting from protein breakdown, an increase in inorganic soluble phosphorus has been observed to occur during withering. A joint investigation with the Tea Tasting and Manufacturing Advisory Branch was started on chemical wither. Study of the enzymic oxidation of polyphenols was continued. The Branch co-operated with the Engineering Development Branch and analysed a large number of experimental samples of tea in connection with our factory trials (Tunnel vs. Trough wither and different types of fermentation).

The Tea Tasting and Manufacturing Advisory Branch worked in close co-operation with the Engineering Development and Biochemistry Branches. The Pilot-factory investigations regarding the desirability of chemical wither were continued and results show that a chemical wither of at least 9 hours

is desirable. A number of products were tested regarding their suitability for use in factories. Preliminary tests show that "Hoechstalene" wire mesh may be suitable for use in withering and fermenting troughs. The number of samples of tea received for tasting has increased very considerably and a total of 29,207 samples were tasted and reported on during the year. 34 factory visits were paid.

The Engineering Development Branch continued its work on machinery development and factory experiments. Two of the 30" T.C. Rs. were redesigned and modified for observation under actual commercial conditions. A full scale commercial model of the Continuous Tray Drier was in operation on a tea estate in Assam from the middle of August and gave satisfactory results. An experimental Tocklai Tunnel unit was set up at Kakajan T.E. to compare the relative merits of Tunnel vs. Trough Withering. A commercial sized experimental Trough was installed at Hunwal T.E. for a similar comparison. A small scale continuous Fermentation-cum-Drying machine was fabricated and was under test. Experiments were also conducted to develop a suitable method of fermenting processed tea leaf in depth, in troughs, using just enough air for the process requirement.

The Statistics Branch continued its investigations into Crop-weather relationships and Surveys. Analysis of data from the Tocklai Clearance showed a high positive correlation between early crop, rainfall and minimum temperature during the period January to March. Rainfall upto 18 cm. during this period was highly beneficial for annual crop but rainfall in excess was unfavourable. A pilot sample survey of Shade was initiated in 19 tea estates of the Assam Valley. A long-term experiment on defoliation has been commenced in a few tea estates in the Dooars to assess the effects of continuous defoliation on the health and vigour of tea bushes and the incidence of Red spider and other pests.

The Advisory Branches continued to provide technical assistance to tea estates. A total of 245 visits were paid to tea estates in Assam and 146 visits to tea estates in West Bengal. Advice was sought by tea estates on a variety of problems, *e.g.*, selection, manuring, shade, pruning, and pests and diseases. 56 field trials were in progress during the year in different tea estates of northeast India and they were looked after by the respective Advisory Officers. The Advisory Branches were responsible for running the lecture courses at Tocklai on V.P. and Plucking

Visitors.— As in former years, there were a large number of visitors to Tocklai. The following are mentioned specially :

- (a) Sir Robert L. McLennan, C.I.E., of Messrs. Scottish Assam Tea Co. Ltd., Edinburgh.
- (b) Mr. E. J. Nicholls, C.B.E., of Messrs. George Williamson & Co. Ltd., London.
- (c) Mr. W. Kenneth Warren of Messrs. James Warren & Co. Ltd., London and Mrs. Warren.
- (d) Mr. H. N. Thomas, Chairman, I.T.A., London.
- (e) Sir John H. Burder of Messrs. McLeod Russel & Co. Ltd., London.
- (f) Dr. E. C. S. Little, D. Phil (Oxon), Adviser on Agricultural Applications of Radioisotopes, International Atomic Energy Agency, United Nations.
- (g) Prof. R. D. Haworth, F.R.S. and Mrs. Haworth.
- (h) Dr. E. M. Chenery, Director of the Tea Research Institute of East Africa, Kenya.
- (i) Mr. B. G. Cowan, President of the Anglo-American Direct Tea Co. Ltd., Toronto, Canada and Mrs. Cowan.

(j) Dr. H. L. Yowell of Esso Research & Eng. Co.,
Linden, N. J., U.S.A.

(k) The Hon. Chief Justice of India.

Tea Research Association.— In last year's report it was recorded that the formation of the Tea Research Association had been postponed because the Government of India had announced that in view of the emergency it would not be possible for the Council of Scientific and Industrial Research to give the financial support which had been promised to the Association.

In May 1963 the Council of Scientific and Industrial Research advised the Association that the Council was now in a position to proceed with the formation of the Tea Research Association with the modification that the funds for the half share to be contributed by the C.S.I.R. would be provided by the Tea Board. It was later announced that the Tea Board would pay half the C.S.I.R.'s contribution to the Tea Research Association. This arrangement was reluctantly accepted by the Association because it was considered that any contribution made by the Tea Board would be equivalent to an indirect additional contribution by tea estates to the Tea Research Association.

When the Council of Scientific and Industrial Research finally accepted the draft Memorandum and Rules for the Tea Research Association copies of these documents were again circulated to all tea estates in North East India who were asked to indicate whether they were willing or otherwise to join the Association on the basis of the revised financial arrangements which had been agreed to.

The inaugural meeting of members of the Association was held on the 30th December 1963 when it was decided that the Tea Research Association should be constituted with effect from the 1st January 1964. The proceedings of this meeting are reproduced in the appendices to this report for record.

Annual Conferences.— The 19th Annual Conference (which could not be held in 1962 as a result of the emergency) was held at Tocklai on the 29th, 30th and 31st January. The main themes of the Conference were "Commercial use of clones", "Important pests and diseases of tea" and "Modern green leaf processing methods". Papers were presented by various members of Tocklai staff and time was allotted for questions and discussions. Visits were arranged to the laboratories and field plots at Borbhetta. In addition to Tocklai staff, 64 guests attended the Conference.

The 20th Annual Conference was held on the 19th, 20th and 21st November. The main theme of the Conference was the "Programme of Work 1963-67". Papers were presented by various members of the staff and the programme included discussions, answers to set questions, visits to laboratories, field plots and also to two tea factories to see the new Tocklai machines in operation. In addition to Tocklai staff, 67 guests attended the Conference.

Lecture Courses.— Eight lecture courses were held during the year which were attended by 188 planters, in all.

"Tea Manufacture" Courses.—Four courses were held from 11th to 14th March, 18th to 21st March, 25th to 28th March and 1st to 4th April. A total number of 90 planters attended.

"V.P." Courses.—Two courses were held from 22nd to 27th April and 29th April to 4th May. A total number of 49 planters attended.

"Plucking" Courses.—Two courses were held from 15th to 17th July and 22nd to 24th July. A total number of 49 planters attended.

Labour/Staff Relations.— The demand of the Tocklai Employees' Union for raising the age of retirement from 55 to 58

years is before the Labour Court, Assam, for adjudication. Two cases under the Payment of Wages Act brought up by the Tocklai Employees' Union came up for hearing. Rehearing of case No. 58 of 1961 took place on the 24th September and the findings are awaited.

Scientific Department Publications.— In addition to the usual quarterly and other reports issued by the Scientific Department, the following articles were published in Indian and foreign scientific journals, and by the Association in its own publications.

Articles in Scientific Journals etc.—

1. Agnihothrudu, V. (1963) : Notes on Fungi from North-east India—XIV. A new Genus of Discellaceae from Assam. *Sydowia*, 16 : 73-76.
2. Agnihothrudu, V. (1963) : Notes on Fungi from North-east India—XV. A new species of Schizotrichum from Assam. *Mycopath. Mycol. appl.*, 19 : 21-23.
3. Agnihothrudu, V. (1963) : Notes on Fungi from North-east India—XVI. Two rare Hyphomycetes from Assam. *Sydowia*, 16 : 141-143.
4. Agnihothrudu, V. (1963) : The role of therapeutic treatments in the control of diseases of tea in North-east India (Invitation symposium paper)—*Bull. Indian Phytopath. Soc.*, 1—Abs. in *Indian Phytopathology*, 16(1) : 104.

5. Agnihothru, V. (1963) : Notes on Fungi from North-east India—XII. *Physarum laevisporum* sp. nov. from Assam. *Sydowia*, 16 : 121-124.
6. Barua, S. C. (1963) : Growth rate of Tea Leaf as determined by Shade and Nutrients. *Emp. J. Exp. Agric.*, 31(122) : 127-136.
7. Das, G. M. (1963) : Preliminary studies on the biology of *Orasema assectator* (Hym., Eucharitidae), parasitic on *Pheidole* and causing damage to leaves of tea in Assam. *Bull. ento. Res.*, 54(3) : 373-378.
8. Das, G. M. & Sengupta, N. (1962) : Biology and Control of the Purple Mite, *Cal'acarus carinatus* (Green), A Pest of Tea in North-east India. *J. Zool. Soc. India*, 14(1) : 64-72.
9. Hadfield, W. (1963) : New Thoughts on Shade. *Tea Quarterly*, 34 (2) : 90-92.
10. Roberts, E. A. H. & Smith, R. F. : The Phenolic Substances of Manufactured Tea—IX. The Spectrophotometric Evaluation of Tea Liquors. *J. Sci. Fd. Agric.*, 14 (10) : 689-699.
11. Roberts, E. A. H. (1963) : The Phenolic Substances of Manufactured Tea—X. The Creaming Down of Tea Liquors. *J. Sci. Fd. Agric.*, 14 (10) : 700-705.

12. Sen, A. R. (1963) : Use of pretreatment data in designing experiments on Tea. Emp. J. exp. Agric. 31 (121) : 41-49.
13. Sen, A. R. (1963) : Some Techniques of Experimentation with Clonal Tea Based on a Uniformity Trial. Emp. J. exp. Agric., 31 (124) : 296-310.
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